

***Benefits and Work Life
Programs Division
2016 End of Year
Report***

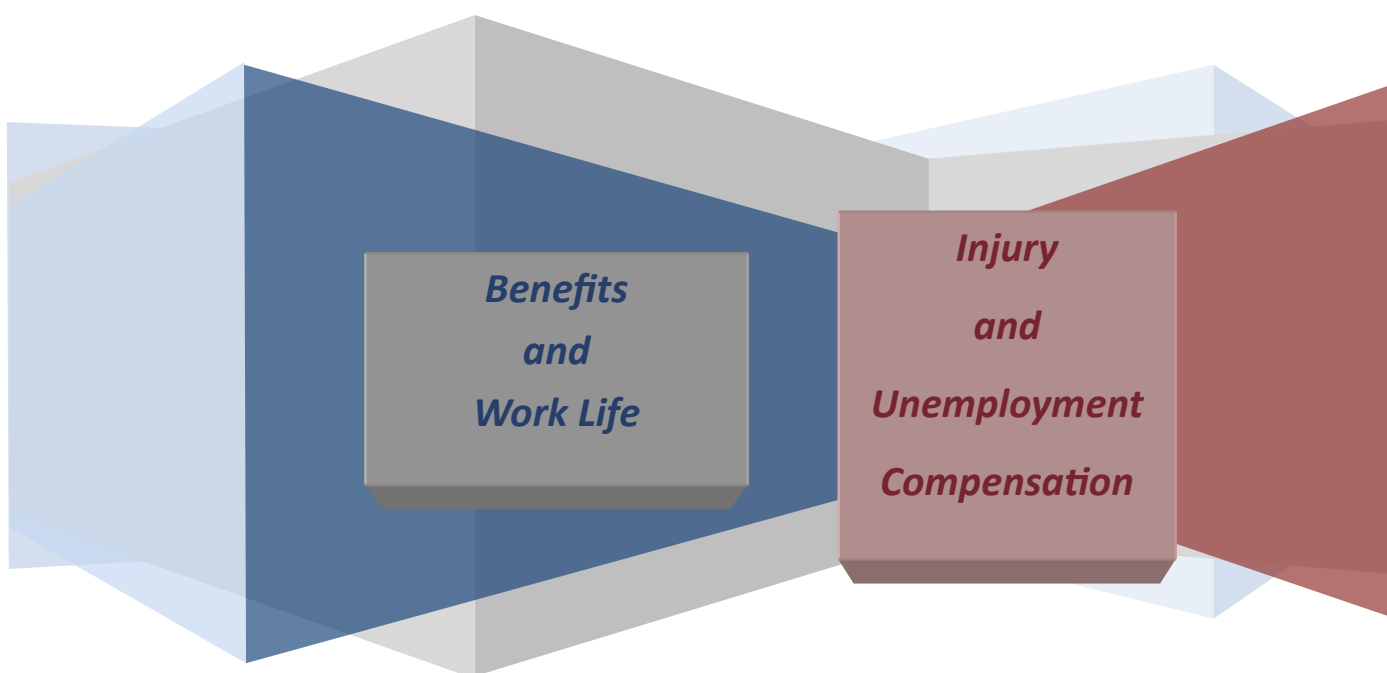




Table of Contents

Introduction	3
Benefits and Work Life Programs Division Mission	4
Benefits and Work Life Programs	5
Federal Employees’ Group Life Insurance (FGLI)	6
Federal Employees Health Benefits (FEHB)	10
Flexible Spending Account (FSA)	15
Federal Employees Dental and Vision Insurance Program (FEDVIP)	17
Retirement Programs	18
The DoD Workforce Age	19
Retirement System Status	20
Retirement Actions	22
Retirement Processing Errors	24
Phased Retirement Projections	27
Thrift Savings Plan (TSP)	28
Financial Fitness	37
Benefacts Newsletter	39
Work Life DoDI	40
Telework	41
Wellness	43
Benefits Extended to Same-Sex Domestic Partner, Same-Sex Spouse and Transgender Policy	44
Family Care Programs	46
Injury and Unemployment Compensation Programs	48
DoD FECA Program Metrics	49
Injury Compensation 2016 Goals and Priorities	55
Injury Compensation Claim Timeliness Analysis	57
Injury Compensation Liaison Workload Analysis	58
Injury Compensation Projected Cost Avoidance Analysis	59
Pipeline Reemployment Program	62
Unemployment Compensation Program	64
HR Significant Updates	65
2017 Benefits and Work Life Programs Division Way Ahead	68



Introduction

I am so pleased to present the Benefits and Work Life Programs Division's (BWLPD) 2016 End of Year Report. This report features information regarding the many benefits and work life programs that are supported by the Department of Defense (DoD). Programs include Telework, Health Care, Financial Fitness, Wellness and other programs which provide flexibilities and incentives that are an important part of sustaining an engaged DoD workforce.

We promote programs and services that will assist the Department in maintaining its competitive edge because we know that DoD employees want benefits programs that are relevant and that meet their needs. Our greatest challenge continues to be ensuring that DoD employees are properly educated on the benefits and resources that are available to them. To that end, we must also ensure that DoD benefits advisors are properly trained to provide the needed counseling and support.

This past year has been a very exciting time in the benefits functional area. This report will outline some of the accomplishments that we have achieved as a unified team. We have championed initiatives such as the FEGLI Open Season, the phase out of Same-Sex Benefits, the new phased parental return policy, and other programs that directly affect the DoD workforce and their families.

As we focus on our goals and objectives for this year, we hope to learn from the challenges and successes of the previous year. All of this is to ensure that we continue to offer the best possible service and most rewarding programs.

Taiwana R. Smith

Chief, Benefits & Work Life Programs Division



Benefits and Work Life Programs Division

Mission

The Benefits and Work Life Programs Division (BWLPD) provides technical advisory services to the Human Resources community in the areas of Federal Benefits, Retirement, Financial Fitness, Injury Compensation and Unemployment Compensation, and Work Life Programs. The Division develops and implements policy for all DoD Components and Agencies.

There are a variety of Executive Orders, public laws and regulatory authorities that mandate this vast array of benefit programs. The Division is responsible for management of the DoD benefits and work life programs and provides operational support to DoD organizations worldwide. The BWLPD also provides technical information, tools and training necessary to support and develop the HR strategic competencies.

The Division collaborates with DoD Components, the Office of Personnel Management (OPM), Department of Labor (DOL), the Federal Retirement Thrift Investment Board and many other Federal agencies in order to effectively deliver the most relevant HR solutions. Our goal is to foster effective programs that will enable a flexible, healthy and resilient workforce. We understand that when the civilian workforce is strong, our armed forces are strong.

“BWLPD— Providing exceptional guidance, training and solutions!”

NOTE: DoD Totals population numbers throughout this report reflect data as of the date the data was pulled from the Corporate Management Information System (CMIS).



Benefits and Work Life Programs

The goal of the Benefits and Work Life Branch is to ensure that DoD Human Resources Specialists and employees possess the skills and resources necessary to navigate through a vast assortment of complex benefits and work life related topics and issues. The Branch continues a comprehensive effort to educate, provide guidance and encourage the use of benefits and workplace flexibilities and programs, to the greatest extent possible, to empower employees to deliver exceptional and efficient service while meeting family responsibilities and their needs at home.

The Branch is comprised of a team of expert benefits advisors prepared to provide guidance and strategic solutions to support the benefits programs outlined below:

- Federal Employees' Group Life Insurance (FEGLI)
- Federal Employees Health Benefits (FEHB)
- Flexible Spending Account (FSA)
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Retirement Programs
- Thrift Savings Plan (TSP)
- Financial Fitness
- Telework
- Wellness
- Same-Sex Domestic Partners
- Transgender Employment
- Family Care and Support Programs



Federal Employees' Group Life Insurance (FEGLI)

The Federal Employees' Group Life Insurance (FEGLI) Program provides term life insurance for Federal employees who meet the eligibility criteria for enrollment. This benefit is often forgotten after a new employee initially enrolls.

Exceptions for enrollment occur when an employee experiences a Qualifying Life Event (QLE) such as marriage, birth or adoption. Many times employees do not think about their FEGLI coverage until they notice a major difference in their paycheck due to an age category increase that occurs every five years.

FEGLI consists of Basic and Optional insurance that allows employees to acquire additional insurance in multiples up to five and dependent coverage for a spouse and children up to the age of 22. The cost of Basic insurance is shared by the Federal Government; employees pay two thirds of the total cost for their premiums. Age does not affect the cost of the Basic insurance. However, optional and dependent insurance premiums are based on the employee's current age.

In 2016, OPM held an Open Season for FEGLI from September 1, 2016, through September 30, 2016. During this time eligible employees could elect or increase their life insurance without a QLE or medical exam.

The Open Season FEGLI elections will not be effective until the first full pay period on or after October 1, 2017. The one year delay was created to avoid an election when there is a high probability that the insurance will become payable within a year. Open Season for FEGLI is infrequent.

Employees planning to retire before October 2022 should remember that any Open Season FEGLI elections (Basic, Optional and Family coverage) require the employee to be enrolled five years prior in order to continue their newly elected coverage into retirement.



Federal Employees' Group Life Insurance (FEGLI)

OPM issued several Benefits Administration Letters (BALs) during the 2016 calendar year that explained the FEGLI Open Season, addressed frequently asked questions, and offered general guidance, such as how to process elections for employees deployed in support of Contingency Operations.

The data outlined below and on the next page provides a snapshot of the Department's overall enrollment status as of December 31, 2015, and 2016. The various combinations of optional insurance available to employees are rolled into one group. The total enrolled and waived is provided to show the enrollment status and percentages for comparison purposes.

2015 FEGLI DATA						
Component	Employees	Enrolled Basic Only	Optional Insurance	Percent Enrolled	Waived	Percent Waived
Air Force	144,565	73,902	57,627	91%	12,247	8.5%
Army	225,268	112,658	92,312	91%	15,789	7%
DoD Agencies	110,758	54,702	42,026	87.3%	8,960	8.1%
National Guard	57,344	27,864	12,357	70.1%	11,511	20.1%
Navy	203,120	106,190	80,749	92%	14,890	7.3%
Total	741,055	375,316	285,071	89.1%	63,397	8.6%

The total number of employees enrolled in FEGLI as of October 31, 2016, is 754,398; this is an increase in enrollment of 13,345 personnel from 2015. The total number of personnel increased, yet the number of personnel waiving FEGLI decreased by a slight margin.

Federal Employees' Group Life Insurance (FEGLI)

2016 FEGLI DATA						
Component	Employees	Enrolled Basic Only	Optional Insurance	Percent Enrolled	Waived	Percent Waived
Air Force	148,263	77,924	57,185	91%	12,436	8.4%
Army	226,891	115,981	90,858	91%	15,650	6.9%
DoD Agencies	112,435	56,833	41,559	87.5%	8,903	7.9%
National Guard	57,885	28,991	11,738	70.3%	11,010	19%
Navy	208,926	112,647	79,881	92.2%	15,109	7.2%
Total	754,398	392,376	281,221	89.3%	63,108	8.4%

NOTE: The total number of employees represents the total workforce per agency. The difference between the total number of employees per agency and the total enrollments waived are employees who are ineligible or who have had a cancellation of coverage due to being in a nonpaid status for 12 months without re-enrollment.

The data below outlines the FEGLI elections made during the 2016, Open Season. Employees were permitted to elect or increase previously waived options without a QLE or required physicals. All elections will be implemented October 2017.

2016 Open Season Election Totals	
Component	Elections
Air Force	9,717
Army/National Guard	30,296
DoD Agencies	7,859
Navy	18,433
Total	66,305



Federal Employees' Group Life Insurance (FEGLI)

A slight increase is noted in those enrolled within DoD Agencies, National Guard and Navy, while Army and Air Force personnel numbers remained constant. For those waived, a minimal decrease is noted in the numbers of personnel across all Components.

During 2015, the National Guard had the highest percentage (11,511 out of 57,344, or 20.1%) of employees who waived life insurance coverage. In 2016, the number of National Guard employees who waived coverage decreased, with 11,010 out of 57,885 personnel, or 19%, waiving coverage.

Factors that may have contributed to a decrease of personnel waiving FEGLI during 2016 may include a growing number of younger employees, individuals making better choices with health, or an increase in employees who consider other private insurance as competitive as FEGLI despite the fact that FEGLI can be obtained without a medical exam or the admittance of continuance health related issues.

FEGLI End of Year Summary data as of December 31, 2016:

Components	Employees	Enrolled in Basic Only	Optional Insurance	Percent Enrolled	Waived	Percent Waived
Total as of 10/31/2016	754,398	392,376	281,221	89.3%	63,108	8.4%
Total as of 12/31/2016	755,592	393,581	280,855	89.3%	63,247	8.4%
Change	+1,194	1,205	(366)	89.3%	139	8.4%

NOTE: The review and analysis presented in this report captured data as of October 31, 2016. A review of the data ending December 31, 2016 shows no substantial changes to the report.



Federal Employees Health Benefits (FEHB) Program

The Federal Employees Health Benefits (FEHB) Program was created in 1960 and has evolved to provide competitive plan options consisting of Fee-for-Service, Preferred Provider Organization (PPO), and Health Maintenance Organization (HMO) to meet the healthcare needs of Federal employees and their families.

Plans are also available from the Consumer-Driven and High Deductible options that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts, and lower premiums.

For most employees and annuitants, the Federal Government contributions equal the lesser of: (1) 72% of the premiums; OPM determines the program-wide weighted average of premiums in effect each year, for self-only and for self and family enrollments, respectively, or (2) 75% of the total premiums for a particular plan.

The health insurance plans offered through the FEHB Program meet the requirements of the Affordable Care Act (ACA) guidelines to include Minimum Essential Coverage, coverage for children up to age 26, as well as expanded coverage for temporary, seasonal and intermittent employees who meet the requirements of the ACA. Temporary, seasonal, and intermittent employees working or expected to work 130 hours per month or more for at least 90 days meet the requirements of full-time employment and are eligible to enroll.



FEHB Enrollment Status

The tables below display a snapshot of FEHB enrollment participation throughout DoD for 2015 and 2016 calendar years.

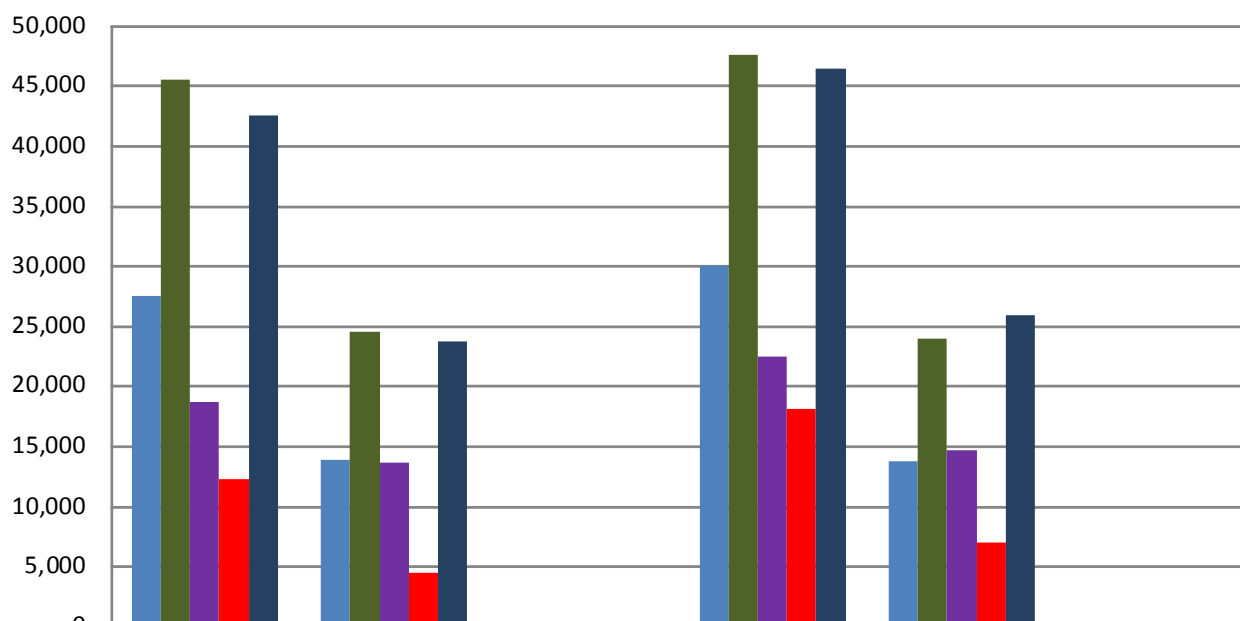
2015 - Enrolled vs Not Enrolled					
Component	Employees	Enrolled	Not Enrolled (Waived)	Percent Enrolled	Percentage Not Enrolled
Air Force	145,517	84,984	57,874	58%	40%
Army	226,708	141,571	80,412	62%	35%
DoD Agencies	111,604	69,318	36,561	62%	33%
National Guard	57,707	41,756	13,968	72%	24%
Navy	204,875	138,638	63,772	68%	31%
Total	746,411	476,267	252,587		

2016 - Enrolled vs Not Enrolled					
Component	Employees	Enrolled	Not Enrolled (Waived)	Percent Enrolled	Percentage Not Enrolled
Air Force	148,318	85,902	59,502	58%	40%
Army	224,697	140,679	80,950	63%	36%
DoD Agen- cies	112,391	69,316	37,067	62%	33%
National Guard	57,672	41,062	14,500	71%	25%
Navy	206,600	140,900	65,274	68%	32%
Total	749,678	492,359	257,293		

FEHB Enrollment Status

The chart below and the chart on the following page display the employee participation rates and enrollment types for 2015 and 2016. Self Plus One, a new enrollment option offered during the 2015 Open Season, became effective in January 2016. The Self Plus One enrollment option appears to have reduced the number of those enrolled in Self and Family for 2016.

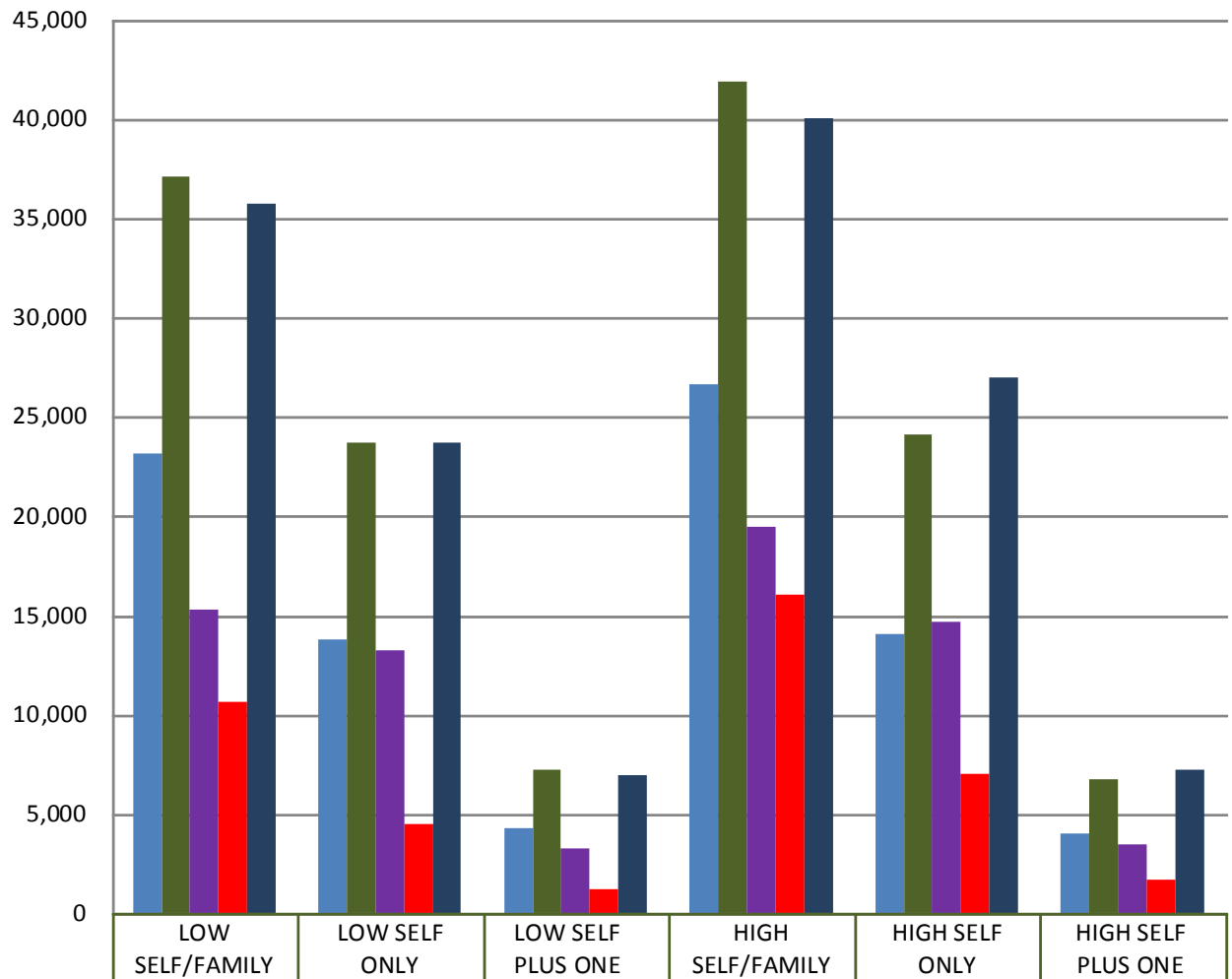
2015 FEHB Enrollments



	LOW SELF/FAMILY	LOW SELF ONLY	LOW SELF PLUS ONE Not offered in 2015	HIGH SELF/FAMILY	HIGH SELF ONLY	HIGH SELF PLUS ONE Not offered in 2015
Air Force	27,451	13,800	0	29,960	13,638	0
Army	45,464	24,470	0	47,548	23,833	0
DoD Agy/Act	18,640	13,568	0	22,386	14,561	0
National Guard	12,195	4,434	0	18,074	6,903	0
Navy	42,499	23,689	0	46,357	25,839	0

FEHB Enrollment Status

2016 FEHB Enrollments



	LOW SELF/FAMILY	LOW SELF ONLY	LOW SELF PLUS ONE	HIGH SELF/FAMILY	HIGH SELF ONLY	HIGH SELF PLUS ONE
Air Force	23,138	13,803	4,251	26,649	14,076	3,985
Army	37,067	23,707	7,239	41,861	24,103	6,702
DoD Agy/Act	15,253	13,210	3,263	19,460	14,687	3,468
National Guard	10,643	4,489	1,224	16,052	7,009	1,645
Navy	35,709	23,689	6,971	40,051	27,005	7,247



FEHB DoD Customer Profile

Customer profiling is a way to create a portrait of individuals who use a product or service. Customers are broken down into groups sharing similarities. Each group is then given a representative description based on the data collected. The baseline below is provided for the FEHB program. The data elements used in our analysis include:

FEHB Profile Data Elements	
Average Age	Average years of age of customer
Component	Army, Navy, Air Force, National Guard or DoD Agency
Health Plan Enrollment	Self Only, Self Plus One, or Self and Family
Health Plan	Health Plan Chosen by Enrollee
Total Persons	Sum of people in a category represented as a number or as a percentage of total sum

Quick Facts: FEHB Profile

- Analysis shows that the average age of all FEHB enrollees is 46 years old.
- The average age of enrollee by Component:
 - Army, 47 years old
 - Navy, 47 years old
 - Air Force, 47 years old
 - DoD Agencies, 48 years old
 - National Guard, 40 years old
- Number of enrollees:
 - Army, 140,702
 - Navy, 140,969
 - Air Force, 85,911
 - DoD Agencies, 69,355
 - National Guard, 41,068
- Self and Family plans (Low and High Options combined) were elected on average 57% of the time.
- Self and Family election rate by Component:
 - Army 56%
 - Navy 58%
 - Air Force 53%
 - DoD 50%
 - National Guard 65%
- The providers selected most often were BCBS, GEHA, and Foreign Service.

NOTE: For the purpose of this analysis, data was captured as of October 31, 2016.



Flexible Spending Account (FSA)

Flexible Spending Account (FSA) is a program that allows employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. The pre-tax dollars give employees an immediate discount on these expenses that can equal or exceed the taxes the employee would otherwise have to pay.

The three types of FSAs are: Health Care Flexible Spending Account (HCFSAs), Limited Expense Health Care Flexible Spending Account (LEX HCFSAs), and Dependent Care Flexible Spending Account (DCFSAs). HCFSAs and LEX HCFSAs allow employees to save money for health care expenses for items such as co-payments and out of network fees that typically are not covered by their Federal Employee Health Benefits (FEHB) plan or their Federal Employees Dental and Vision Insurance Program (FEDVIP). DCFSAs allow employees to save money for day care expenses for young children or elder care.

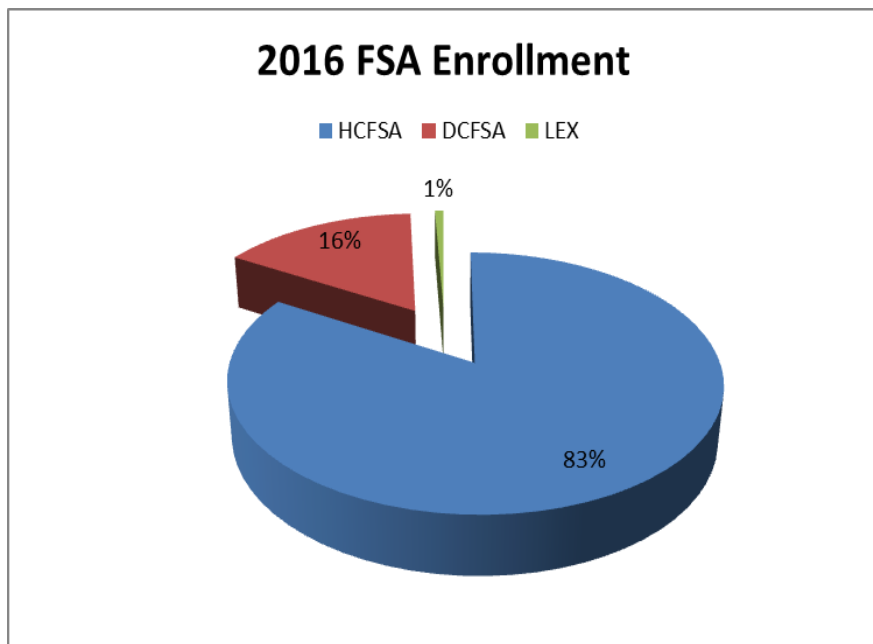
	HCFSAs	LEX HCFSAs	DCFSAs
Must be appointed in a position that conveys FEHB eligibility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Does NOT have to be enrolled in FEHB	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Enrolled in a High Deductible Healthcare Plan (HDHP) with a Health Reimbursement Arrangement (HRA)		<input checked="" type="checkbox"/>	
Does NOT have to be appointed in a position conveying FEHB eligibility			<input checked="" type="checkbox"/>

Federal employees of participating agencies who enrolled in FSAFEDS will benefit from an increase of the maximum contribution allowable for the HCFSAs and the LEX HCFSAs during the upcoming 2017 benefit year. The new maximum contribution will increase from \$2,550 to \$2,600. It should be noted that annual elections are irrevocable and there are no changes permitted without a QLE.

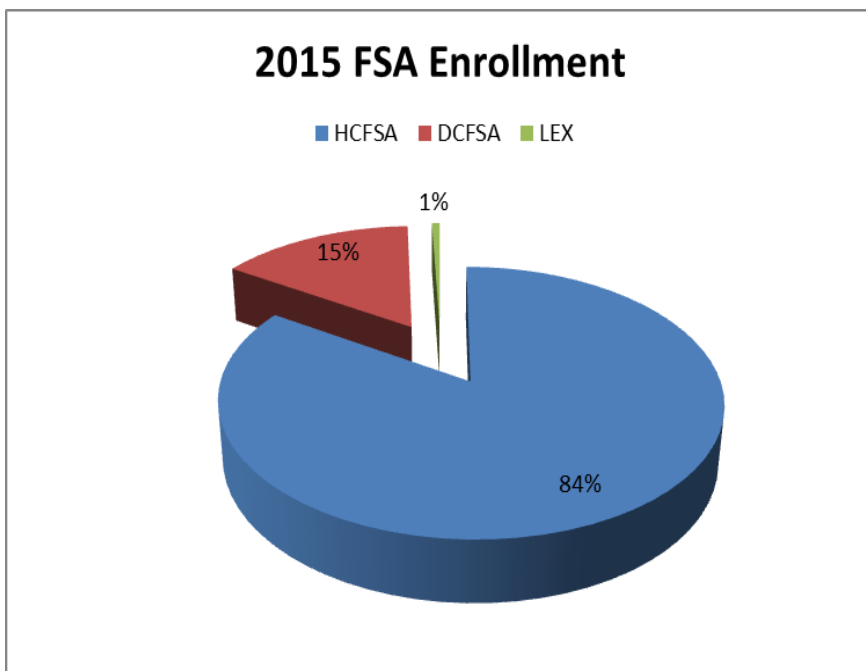
Employees must enroll in FSAFEDS each year during the Federal Benefits Open Season to ensure benefits to continue because enrollments do not carry over from year to the next. Open Season enrollments are effective on January 1 of the following year. Up to \$500 of unspent LEX HCFSAs or HCFSAs contributions may rollover from one year to the next year when participants re-enrolled for the following year.

Flexible Spending Account (FSA)

There were 27,795 employees enrolled in FSA in 2016. Of those that were enrolled, 83% were in HCFSA, 16% in DCFSA, and 1% in LEX.



There were 22,969 employees enrolled in FSA in 2015. Of those employees, 84% were enrolled in HCFSA, 15% in DCFSA, and only 1% of the employees were enrolled in LEX. In 2016, there was a 21% increase in the number of employees enrolled in FSA, but only a slight difference in enrollment options chosen by enrollees. There was a decrease of 1% in HCFSA and an increase of 1% in DCFSA which may have occurred due to the Federal workforce's



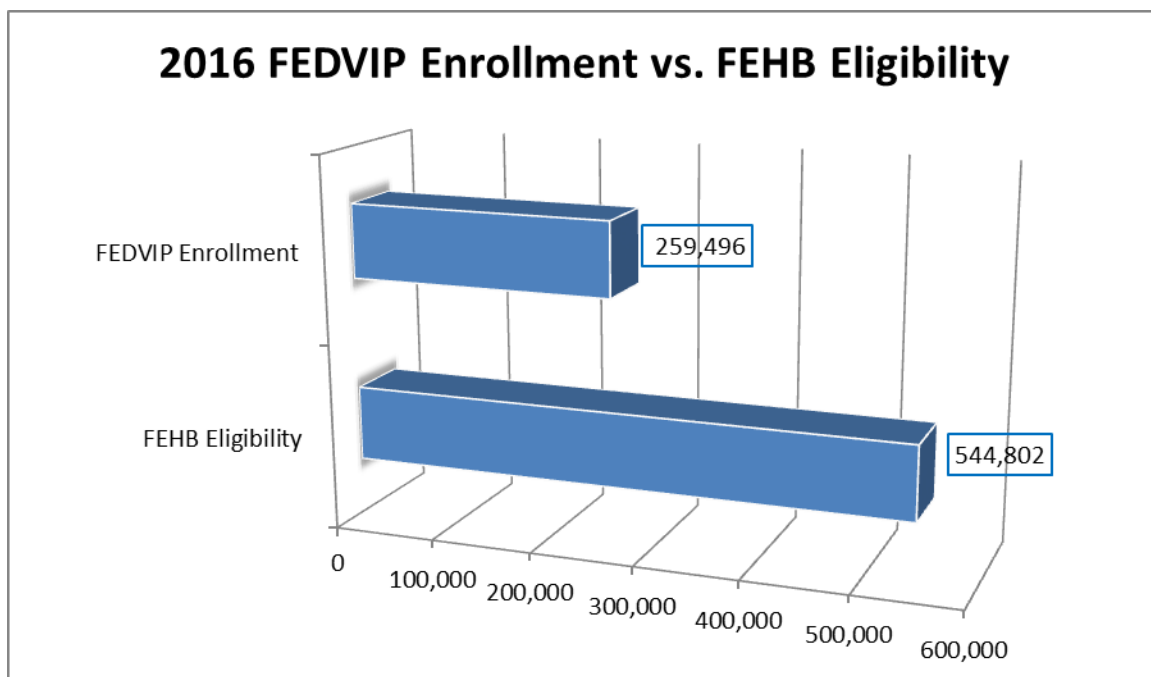
ability to attract and recruit a younger workforce. It may also be attributable to dependent care for those Federal employees that face the challenge and responsibility for caring for an aging family member and have the need for dependent care.

Federal Employees Dental and Vision Insurance Program (FEDVIP)

The Federal Employee Dental and Vision Benefits Enhancement Act of 2004, under Public Law 108-496 and Title 5 Code of Federal Regulations, Part 894, required OPM to establish and administer supplemental dental and vision benefits for Federal employees, retirees, and their dependents. Federal Employees and eligible family members that elect to enroll in FEDVIP must be eligible to enroll in a FEHB plan. It is not a requirement for an employee to actually be enrolled in the FEHB Program; eligibility is key. Although the FEHB programs offer minimal dental and vision benefits, the FEDVIP plans are comprehensive plans administered through BENEFEDS.

Enrollment takes place during the annual Federal Benefits Open Season in mid-November through mid-December. Newly eligible employees can enroll within 60 days after they become eligible. Other enrollment opportunities occur after a QLE.

In 2016 there were 544,802 employees who were eligible to participate in FEHB; of that number, 259,496 DoD employees actually participated in FEDVIP. This indicates that 48% of those eligible for FEHB participated in FEDVIP.



Civil Service Retirement System (CSRS)

- Effective August 1920
- Provides a defined benefit
- Designed as a contributory retirement system
- Employees and their employing agency contribute 7% of pay
- Additional annuity may be purchased through a voluntary contribution account

CSRS Offset (CSRS and Federal Insurance Contributions Act (FICA) coverage)

- 1983 Social Security (SS) laws changed SS FICA coverage for most “new” Federal employees hired after December 31, 1983, or employees rehired after December 31, 1983, after a break in retirement coverage of one year
- August 1, 1987, Congress created the CSRS Offset System
- CSRS Offset applies to Federal employees who have a break in service of more than one year and at least five years of creditable service as of December 31, 1983

Federal Employees Retirement System (FERS)

- Effective August 1, 1987
- A retirement plan designed to provide benefits from three different sources:
 1. Basic Benefit Plan (Annuity)
 2. Social Security
 3. Thrift Savings Plan (TSP)

Federal Employees Retirement System Revised Annuity Employee (FERS-RAE)

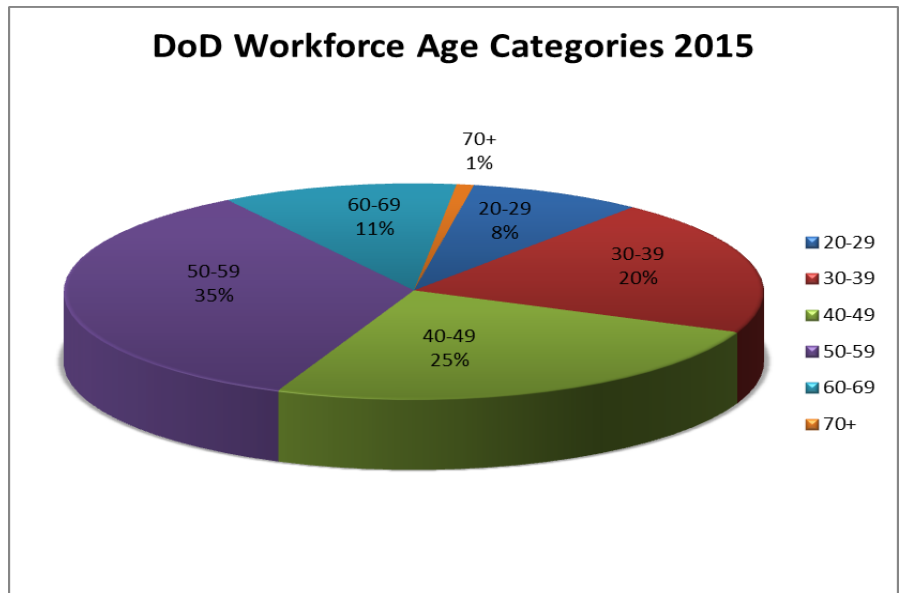
- Effective January 1, 2013, Public Law (P.L.) 112-96 established FERS-RAE
- Impacts new employees hired after January 1, 2013
- Employees pay 3.1% of salary toward retirement benefits
- Members of Congress and Congressional employees accrue retirement benefits at the same rate as regular employees under this public law

Federal Employees Retirement System-Further Revised Annuity Employee (FERS-FRAE)

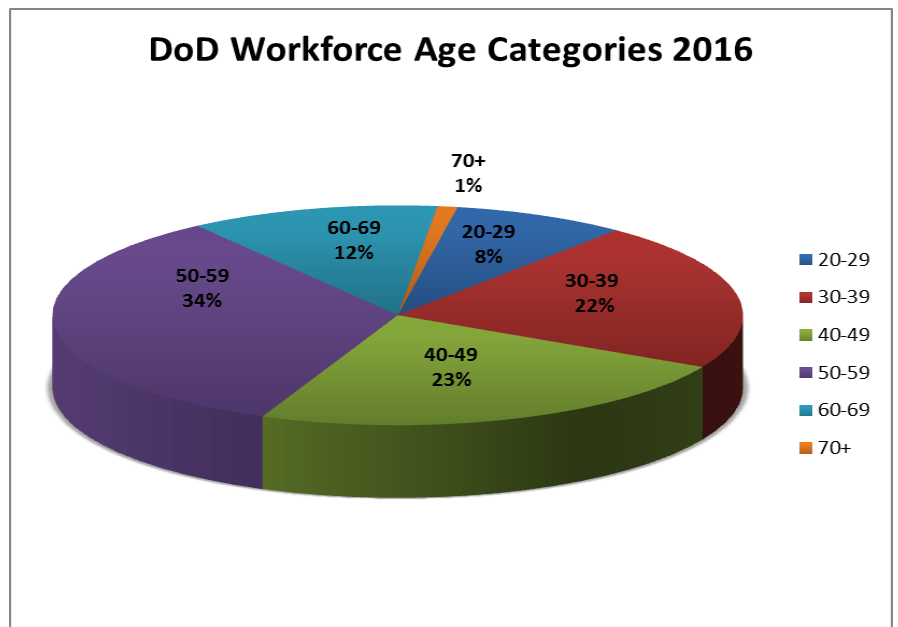
- Impacts employees hired after December 31, 2013, who are not excluded from FERS coverage
- The Bipartisan Budget Act of 2013, Section 401” signed into law December 26, 2013
- Employees pay 4.4% of salary toward retirement benefits
- Members of Congress and Congressional employees accrue retirement benefits at the same rate as regular employees under this public law

DoD Workforce Age Categories

Age	2015 Totals
20-29	60,346
30-39	158,761
40-49	179,171
50-59	254,162
60-69	83,401
70+	6,226
Total	742,067



Age	2016 Totals
20-29	61,333
30-39	164,877
40-49	177,647
50-59	254,172
60-69	88,124
70+	7,087
Total	753,909



The DoD workforce data reviewed during the same time period in 2015 and 2016 revealed that the largest populated age group within the workforce was 50-59 years old.

The workforce increased by 11,842 employees within the given time frame. There was a decrease in the 30-39 years age range from 2015 to 2016, although there had been a substantial increase from 2014 to 2015. There was also an increase in the 70+ years age category.

Retirement System Status

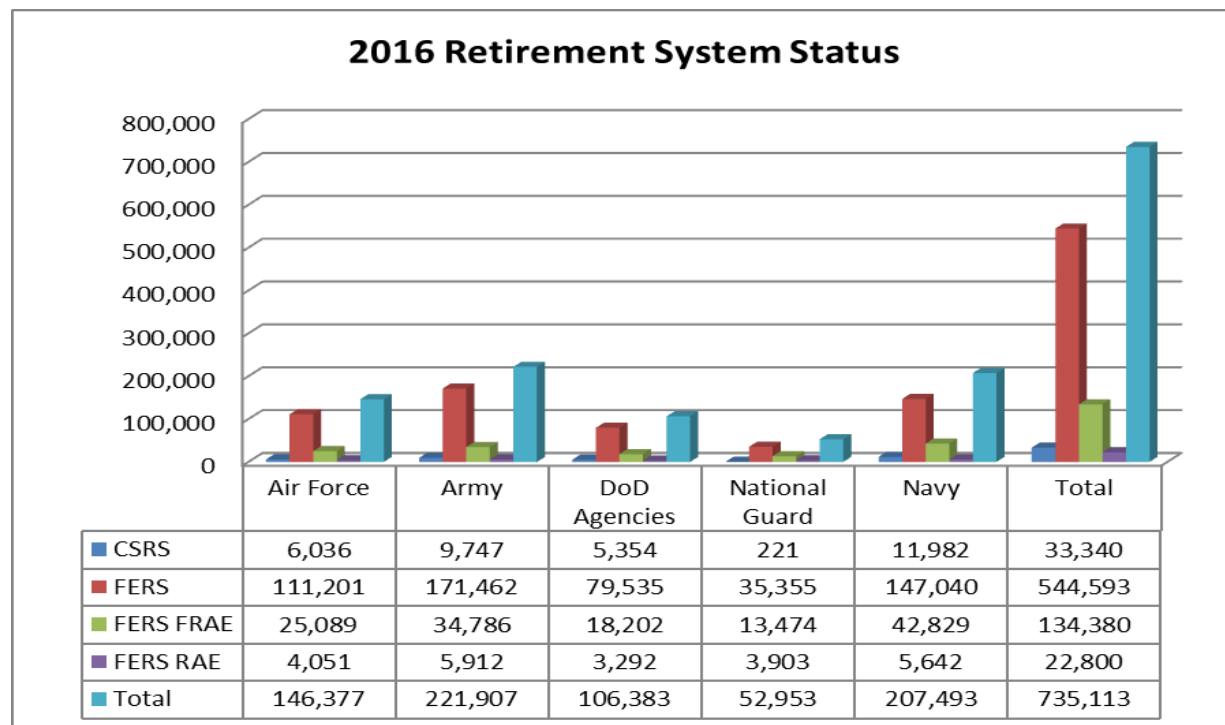
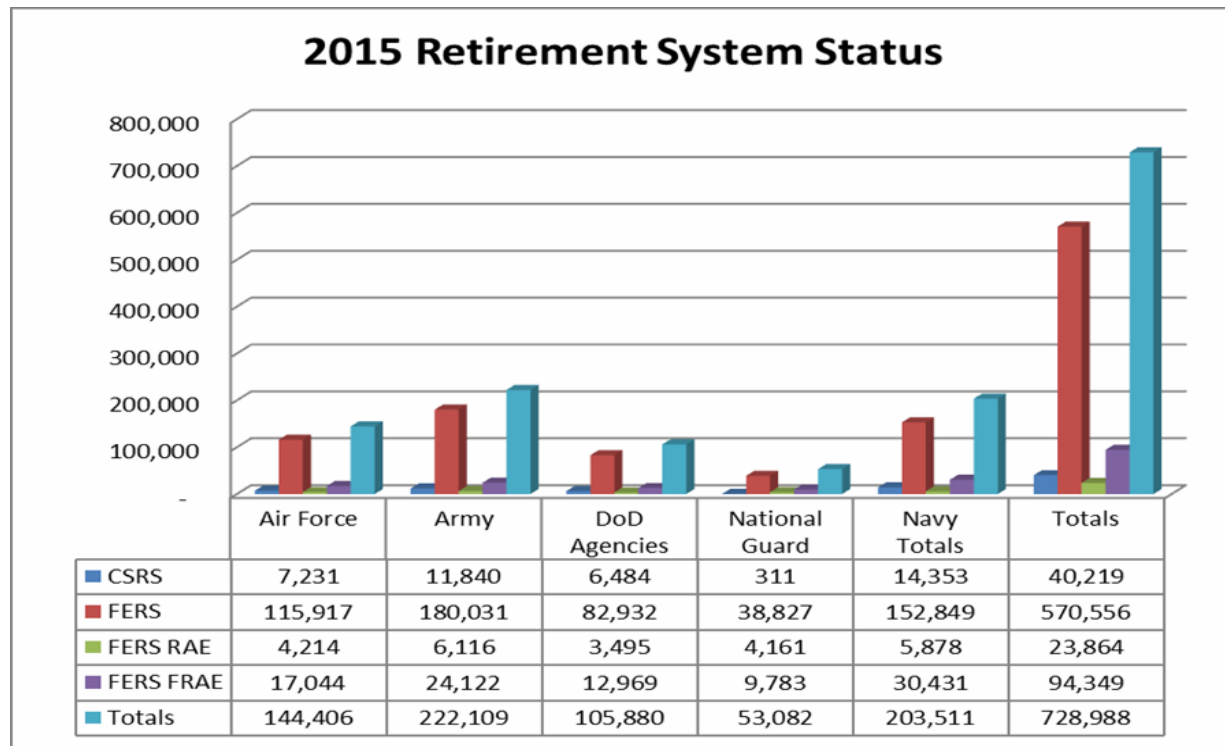
The charts below compare the number of employees within the Federal retirement systems as of December 2015 and October 2016. The total number of employees within the DoD workforce increased by 6,125. The FERS-FRAE category has increased by 43.41% due to a large increase in new employees and rehires with less than five years of creditable service under FERS or CSRS.

Comparison of 2015 and 2016 Retirement System Status			
Retirement System	2015	2016	Difference
CSRS	40,210	33,335	-17.1%
FERS	570,222	544,593	-4.49%
FERS-RAE	23,834	22,799	-4.34%
FERS-FRAE	94,207	135,100	43.41%
Totals	728,473	735,827	1.01%

2016 Retirement Types by Age Groups					
Age Groups	CSRS	FERS	FERS-RAE	FERS-FRAE	Totals
16-19	0	0	0	425	425
20-29	0	15,958	4,080	36,049	56,087
30-39	0	109,165	8,058	43,327	160,550
40-49	7	135,346	5,941	33,121	174,415
50-59	15,937	213,240	3,891	18,953	252,021
60-69	15,401	66,863	792	3,089	86,145
70 Plus	1,990	4,021	37	136	6,184
Totals	33,335	544,593	22,799	135,100	735,827

Retirement System Status

The charts below outline the total number of employees enrolled in Federal Retirement systems during the 2015 and 2016 calendar years.



2016 Retirement Actions

During calendar year 2016 the total number of retirement actions processed was 22,785. The charts below outline the total number of retirement actions within the voluntary and other retirement categories. The other retirement categories include mandatory, disability, special option, and voluntary retirement in lieu of voluntary separation.

The largest group of retirees amongst FERS employees are referred to as ‘baby- boomers’ (persons born between 1946—1964). A U.S. census bureau report issued May 2014, entitled “The Baby Boom Cohort in the United States: 2012 to 2060 Population Estimates and Projections” indicated that the oldest of the baby-boomers turned age 65 in 2011 and by the year 2029 all baby-boomers will be 65 years of age or older.

Within DoD, the FERS 65 and older age group represents 21.48% and the CSRS 65 and older age group represents 8.80% of the total CSRS and FERS population that retired in 2016. The FERS age group between 55 and 64 represents 42.84% and the CSRS age group between 55 and 64 represents 23.14% of the total CSRS and FERS populations that retired in 2016. The age group between 55 and 64 represents the majority (66.07%) of the total CSRS and FERS populations that retired in 2016. The 65 and older age group represented the majority (60.94%) of the total CSRS and FERS populations that retired in 2015.

	Age 54 & younger		Age 55-64		Age 65 & older		Total Population	
	Numbers	Percent	Numbers	Percent	Numbers	Percent	Numbers	Percent
CSRS	38	0.17%	5,273	23.14%	1,996	8.76%	7,307	32.07%
FERS	784	3.44%	9,761	42.84%	4,895	21.48%	15,440	67.76%
Other		0.00%	20	0.09%	18	0.08%	38	0.17%
Total	822	3.61%	15,054	66.07%	6,909	30.32%	22,785	100.00%

2016 Retirement Actions

2016 Retirement Actions by Retirement Types

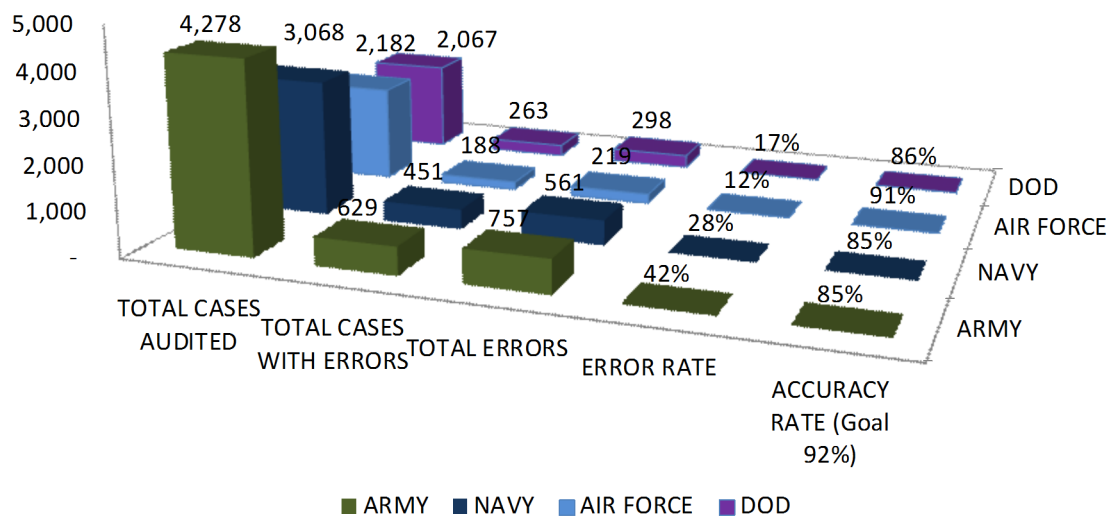
	CSRS		FERS and FICA		FERS-RAE		FERS-FRAE		Total Retirements
Component	Voluntary Retirement	Other Retirement	Voluntary Retirement	Other Retirement	Voluntary Retirement	Other Retirement	Voluntary Retirement	Other Retirement	Voluntary and Other Types
Air Force	1,259	12	2,897	334	1	2	5	0	4,510
Army	2,189	38	4,712	625	1	8	22	2	7,577
DoD Agencies	1,174	14	2,411	203	3	4	0	2	3,811
National Guard	61	12	276	188	0	0	0	0	537
Navy	2,526	22	3,584	213	0	3	1	1	6,350
Grand Total	7,209	98	13,880	1,563	5	17	8	5	22,785

Retirement Processing Errors

DoD retirement application packages are randomly audited on a monthly basis by OPM. The chart below depicts Retirement Errors Processing data metrics for Jan-Dec 2016, broken down by Component. The data includes the Total Number of Retirement Cases Audited by OPM, the Total Number of Cases with Errors, the Total Number of Errors, the Error Rate, and the Accuracy Rate.

OPM's required standard for retirement case accuracy is 92% Federal Government-wide; DoD's average accuracy rate for 2016 is 87%. Our goal is to assist Components in submitting a healthy retirement package for their employees and improve accuracy rates. DCPAS will continue to assist in developing strategies to reduce the number of retirement package errors. We will work with Components on improving their submissions by providing audit feedback and training.

Jan-Dec 2016 OPM Audited Retirement Processing Cases Error & Accuracy Rates by Component



NOTE: the DoD Accuracy Rate identified above does not currently reflect adjustments after rebuttal of the errors reported by OPM.

Retirement Processing Errors

Based on OPM audits, the most common retirement package processing errors are listed below. The bulk of the errors falls under the responsibility of the agency HR office.

- Not properly documenting FEHB insurance for the required 5 years of coverage (or from first eligibility and through all periods of eligibility, if less than 5 years).
- Not properly documenting FEGLI for the 5 years of coverage immediately prior to retirement.
- Married employees not submitting their marriage certificate when they select a survivor annuity.
- DD214 missing periods of creditable active military service, character of the service performed, and any lost time.
- SF2818, Continuation of Life Insurance Coverage, elections exceeding more than allowable election. Example: eligible to continue 3 multiples of Option B, but elected 4.
- Retirement Applications SF2801 and SF3107: Question #2 regarding former spouse is not answered.
- Federal Insurance Contributions Act (FICA) adjustments earnings or pay rates missing from application.
- Military Reserve Pay not clearly identified (Reserve Retired Pay or Combat Incurred Disability).
- Retirement Applications SF2801-1 and SF3107-1 contain inaccurate service dates or missing signature.
- Retirement Applications SF2801 and SF3107-1 not signed. SF2801-2: Spousal Consent has unacceptable corrections. When a married applicant elects less than full survivor benefits, a spousal consent must be submitted. The survivor election on the spousal consent must match the annuitant's election in Section F of SF2801 or Section D of SF3107. The election must be notarized. Some common areas to check include: (1) the form cannot be a copy and must have a signature signed in ink; and (2) the date the spouse signed the form must match the date the notary public signs the form.

Our goal is to reduce the number of corrections required once a retirement package has been submitted to OPM. This enables the retiree to collect interim payment for a shorter time period and receive a full annuity sooner.



Retirement Processing Errors

DCPAS has established Two Phases to reduce Component Retirement Errors:

Phase One:

Our main emphasis will focus on the Accuracy Rate per Component. DoD's current combined accuracy rate for Jan-Dec 2016 is 87%. Our goal is to meet or exceed the OPM standard of 92%. Current accuracy rates are Army 85%; Navy 85%; Air Force 91% and DoD (4th Estate) 86%. We are requesting that each Component increase their Accuracy Rate by 2% by the end of the calendar year 2017.

Phase Two:

DCPAS is aware of the fact that some of these errors are OPM errors and not Component errors. We are going to track these errors, create a Dashboard and report to OPM in an attempt to reconcile the discrepancies. To assist in this effort, we have developed Retirement Errors Processing Reporting Instructions for Components to use as a monthly tracking mechanism to report erroneous errors directly to DCPAS. The current data metrics only show OPM provided statistics; no error data. We are also coordinating with OPM to potentially track specific and common types of errors per Component.

Additionally, we will be working with Components to determine how we can best assist these efforts as well as share Best Practices. Monthly metrics will be tracked and reported to the Components. The metrics will also be posted on the DCPAS BWLPD website (when available) and updated monthly.

Phased Retirement

Projection of Potentially Eligible Employees

Phased Retirement is an option available to Federal employees who have obtained eligibility for voluntary retirement after reaching at least age 55 with 30 years of service or age 60 with 20 years of service. This retirement option allows full-time employees to work part-time schedules while beginning to draw retirement benefits. This option also provides management the opportunity to offer mentoring for employees and to maintain years of institutional knowledge and experience that otherwise would be lost.

The 2015 End Of Year report, the Phased Retirement projection was 89,744 eligible employees. The current data shows a total of 94,391 eligible employees, representing an increase of 4,647 projected eligible employees.

Component & Retirement Systems	2016 Total Work Force & Retiree Eligible
Air Force	146,377
CSRS	5,033
FERS	13,769
Total	18,802
Army	221,907
CSRS	8,488
FERS	22,390
Total	30,878
DoD Agencies	106,383
CSRS	4,520
FERS	11,939
Total	16,459
National Guard	52,953
CSRS	184
FERS	897
Total	1,081
Navy	207,493
CSRS	10,057
FERS	17,774
Total	27,171
Total Eligible	94,391
Total Workforce	735,113



Thrift Savings Plan (TSP)

The Thrift Savings Plan (TSP) is a retirement savings and investment plan similar to private industry 401(k) plans. Designed for Federal employees to save toward their future retirement, TSP allows participants to make traditional (before-tax) and Roth (after-tax) payroll contributions. It is an integral part of the three tiered retirement program for FERS, FERS-RAE, and FERS-FRAE employees.

FERS employees receive a 1% agency and matching contribution that equals up to 5% of the employee's basic pay. In an effort to increase TSP participation, new Federal employees and rehires are automatically enrolled in the TSP with a default contribution rate of 3%.

Early Withdrawal Penalty Exemption for Public Safety Officers

During 2016, P.L. 114-26 provided an exemption to the TSP Early Withdrawal penalty for Public Safety Officers. This law states that Federal law enforcement officers, customs and border protection officers, Federal firefighters, and air traffic controllers who are at least 50 years of age during the year that they separate may make a withdrawal from the TSP without incurring a 10% early withdrawal penalty. This exemption applied to any withdrawal from a TSP account that occurred after December 31, 2015. To assist in determining those eligible, agencies are responsible for identifying and notifying TSP of public safety employees who have separated and who meet these eligibility requirements.

Temporary Change to TSP Financial Hardship Withdrawal Rules

On September 2, 2016, TSP made a temporary change to the Financial Hardship In-Service withdrawal rules for participants affected by the storms in Louisiana (check coverage area). For any qualifying Financial Hardship In-Service Withdrawal requested and received by TSP by January 10, 2017, the rule prohibiting employee contributions for six months following a withdrawal was waived. Qualifying meant one of the following was true:

1. The participant's primary residence or place of employment was located in a covered disaster area and incurred a loss as a result of the Louisiana storm **or**
2. The participant's hardship withdrawal was used to assist an eligible family member who lives or works in a covered disaster area and who incurred a loss as a result of the Louisiana storms.

2016 TSP Contribution Status

The following Thrift Savings Plan (TSP) data was reviewed:

- The Active Contribution Rate (ACR) of DoD civilian employees for 2015 and 2016; and
- The contribution rates of DoD civilian employees in the three variants of the Federal Employees Retirement System include: FERS, FERS-RAE, and FERS-FRAE.

Contributions Rates: FERS covered employees receive a match up to 5% of basic pay on all contributions up to the annual TSP deferral limit of \$18,000 (see *Note below). Currently 92% of all DoD civilian employees are covered by FERS.

The chart below shows a contribution comparison between the age groups of “below age 35”, “age 35-49” and “age 50 and older,” that contributed to TSP in 2015 and 2016.

***NOTE:** TSP participants age 50 and over, who meet the annual deferral limit, may elect to contribute an additional \$6,000 (Catch-Up contributions) upon submitting TSP-1-C form.

DoD Civilian TSP Contribution Level by Age Group: 2015 and 2016

Age Group Contribution Level	Below 35		35-49		50 and Over	
	2015	2016	2015	2016	2015	2016
Below 5%	28.2%	28.72%	19.29%	19.85%	8.9%	9.2%
At 5%	32.47%	31.72%	29.65%	29.34%	19.8%	19.96%
Above 5%	16.27%	18.71%	24.24%	26.09%	32.6%	34.56%

Each column represents the percentage that DoD civilians contribute to TSP, but does not include civilians who contribute a dollar amount. For 2015 and 2016, approximately 68% and 69% respectively of DoD TSP participants contributed to TSP on a percentage of their salary as opposed to a specific a dollar amount.

***Red** denotes the TSP contribution level that had the highest percentage by age group for 2015 and 2016.

2016 TSP Contribution Status

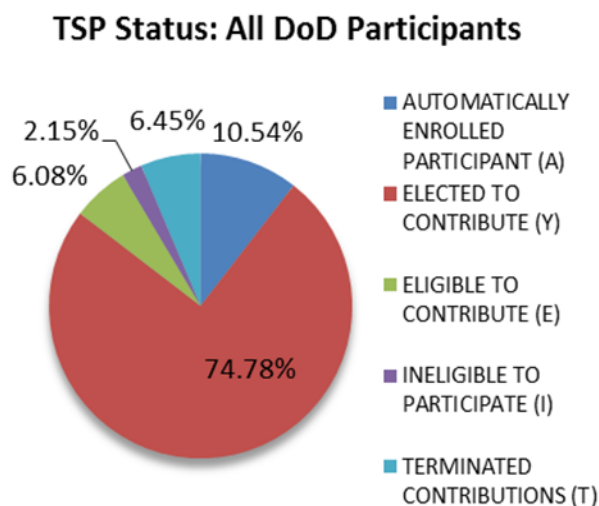
In 2015 and 2016, each age group maintained approximately the same percentage of participation across contribution levels. The below age 35 and 35-49 age groups continued to have a higher percentage of contributions at 5%. The 50 years and over age group had approximately one third of its members contribute more than 5%.

Although the percentage of participation across age groups remained the same for all contribution levels, the largest increase for any age group occurred at the "Above 5%" contribution level. This contribution level realized an average increase of 2.08%. The majority of the 35-49 age group, as well as the age 50 and over age group, contributes at least 5% of pay, guaranteeing full matching for the majority of its members. The group of employees below age 35, is the only age group where more than 50% of DoD TSP participants contribute less than 5% of pay.

Active Contribution Rate (ACR): DoD civilian employees, 2015 and 2016

The Active Contribution Rate (ACR) compares the number of agency employees who have a TSP contribution deducted each pay period to the total number of agency employees. ACR includes employees making contributions as a percentage of pay in addition to those making contributions as a set dollar amount.

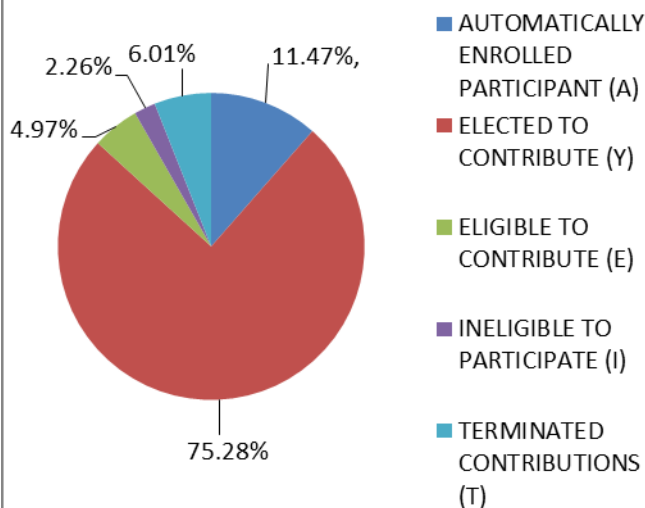
2015 TSP Status: All DoD Participants



- 85.32% of DoD employees contribute either through automatic enrollment (A) or elected contributions (Y)
- The ACR rate for DoD employees is 85.28%
- Employees age 50 and over represent the largest group of TSP participants at 46.56%

2016 TSP Contribution Status

2016 TSP Status: All DoD Participants

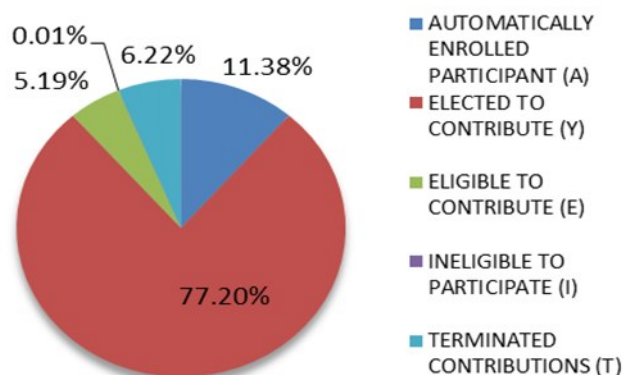


- 86.75% of DoD employees contribute either through automatic enrollment (A) or elected contributions (Y)
- The ACR rate for DoD employees is 86.69%
- Employees age 50 and over represent the largest group of DoD civilian participants at 46.56%

From 2015 to 2016, Active Contributors, as a percentage of the total DoD TSP civilian population, increased 1.41% or approximately 22,406 individuals. That is more than the total number of General Schedule (GS) employees for the Department of Labor (15,749) or the Department of Energy (15,153). It is also larger than the combined total of GS employees for the Department of Education (4,362) and the Department of Housing and Urban Development (8,000).

NOTE: GS Employee Totals cited from www.Fedscope.opm.gov, September 2016 data

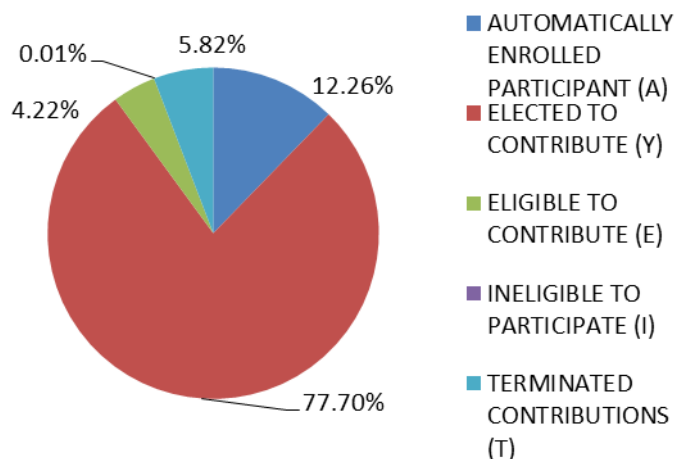
TSP Status: All FERS DoD Participants



- FERS employees make up 92.33% of all DoD civilian TSP Participants
- 88.58% of FERS employees actively contribute (TSP Status of (A) or (Y))
- FERS employees age 50 and over represent the largest group of DoD civilian participants at 43.6%

2016 TSP Contribution Status

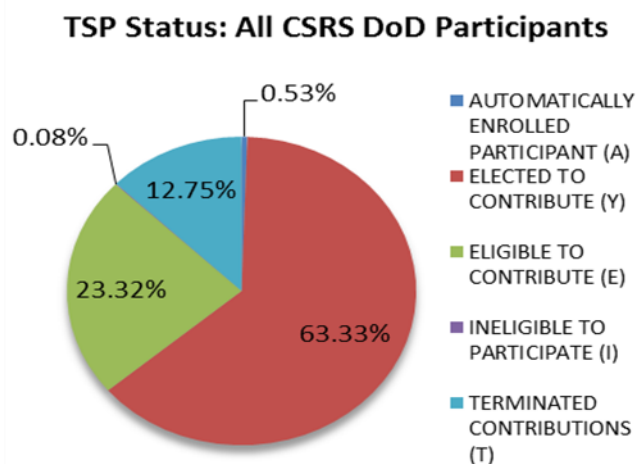
2016 TSP Status: All FERS DoD Participants



- FERS employees make up 93.31% of all DoD civilian TSP Participants
- 89.96% of FERS employees actively contribute (TSP Status of (A) or (Y))
- FERS employees age 50 and over represent the largest group of DoD civilian TSP participants at 40.91%

From 2015 to 2016, the overall FERS DoD TSP civilian population increased by approximately 1% or 20,138 employees. The percentage of FERS Active Contributors increased 1.58% or 27,545 employees. These increases coincided with a 2.69% decrease in the number of FERS DoD TSP civilians age 50 and over, which may be attributable to employees in this age group retiring. These numbers also indicate that the FERS DoD TSP civilian population is growing in overall numbers, while at the same time, the Active Contributors are getting younger.

2015 TSP Status: All CSRS DoD Participants



- CSRS employees make up the smallest percentage of DoD civilian TSP participants at 5.5%
- 63.86% of CSRS DoD employees actively contribute (TSP Status of (A) or (Y))
- CSRS employees have the highest percentage of DoD civilians **eligible to contribute**, but choosing not to do so (TSP Status of (E))

2016 TSP Contribution Status

From 2015 to 2016, there were no significant changes for CSRS DoD TSP civilian participants. CSRS DoD TSP civilian participants remain the largest percentage of DoD civilians who are eligible to participate, but choose not to contribute. CSRS DoD TSP civilian participants also continue to have the smallest contribution rate of 63.46%. This may be attributable to CSRS civilians not being eligible for TSP matching.

Contributions Rates: FERS, FERS-RAE, and FERS-FRAE

FERS, FERS-RAE, and FERS-FRAE represent the three variants of the FERS retirement system. The difference amongst the three variants is the percentage of basic pay an employee covered under the variant pays into the FERS retirement system. The differences are noted below:

FERS Retirement Contribution Rates		
Variant	Rate	Difference Compared to FERS
FERS	0.8%	
FERS-RAE	3.1%	2.3%
FERS-FRAE	4.4%	3.6%

To determine differences in TSP contribution rates, FERS-RAE and FERS-FRAE were compared for calendar years 2014 through 2016.

The comparison reviews TSP contribution rates of 5% or more and the rate of less than 5%. Five percent represents the rate of contribution needed for a TSP participant to receive full matching from the Federal government. The chart on the next page reflects a comparative look at the TSP status of FERS employee across the three variants for calendar years 2014 through 2016.

2016 TSP Contribution Status

	TSP Comparison: FERS, FERS-RAE, and FERS-FRAE								
	FERS			FERS-RAE			FERS-FRAE		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Contribution Data									
At or Above 5%	57.72%	58.02%	58.61%	39.78%	44.39%	47.92%	30.32%	35.66%	39.66%
Below 5%	11.07%	10.15%	9.50%	46.34%	39.77%	34.20%	60.34%	52.29%	46.47%
Contribute a \$ Amount	15.24%	15.86%	16.43%	3.07%	3.91%	4.80%	1.77%	2.35%	2.87%
Ineligibles/Non-Contributors	16.00%	16.00%	15.00%	11.00%	12.00%	13.00%	8.00%	10.00%	11.00%
TSP Status Data									
Active Contributors (A+Y)	86.23%	86.94%	87.97%	96.77%	95.76%	95.23%	97.80%	97.31%	97.07%
(E) Eligible but not Contributing	6.88%	6.15%	5.42%	0.09%	0.10%	0.08%	0.23%	0.10%	0.06%
(T) Terminated Contributions	6.88%	6.90%	6.61%	3.11%	4.13%	4.69%	1.90%	2.56%	2.85%
(I) Ineligible	0%	0%	0%	0.02%	0%	0%	0%	0.02%	0.02%
TSP Population	605,448	573,151	545,611	25,172	23,881	22,897	34,498	85,839	135,140
NOTE: For the TSP population data in the years surveyed, the FERS population decreased 59,837 ; the FER-FRAE population increased 100,642.									

Active Contributors (figures denoted in **RED** font)

The average Active Contribution Rate (ACR) for FERS from 2014 to 2016 was 87%; FERS-RAE 95.92%; and FERS-FRAE 97.39%. When comparing the average ACR of FERS-RAE to FERS, the data shows a difference of 9.87% in favor of FERS-RAE. When comparing the average ACR of FERS-FRAE to FERS, the difference is 11.88% in favor of FERS-FRAE. This can be attributed to recent Automatic Enrollment regulations (e.g. the SMART Savings Act) which enrolled eligible employees into TSP at 3% of basic pay upon hire, making them Active Contributors to TSP from their Entry of Duty Date.

Terminated Contributions (figures denoted in **BLUE** font)

There is a slight uptick in the percentage of FERS-RAE and FERS-FRAE employees that have terminated contributions from 2014 through 2016. For FERS-RAE, this is an increase of over 1.5% during the three year period. For FERS-FRAE, the increase is 0.95% for the same period. While the increases may seem insignificant, FERS-RAE and FERS-FRAE TSP employees who terminated contributions in 2016 were nearly 5% and 3% of their respective populations. In addition, the percentage point increase in FERS-RAE and FERS-FRAE participants who terminated contributions is nearly equal to decreases in FERS-RAE and FERS-FRAE active contributors.

2016 TSP Contribution Status

Contributing At or Above 5% of Basic Pay (figures denoted in **GREEN** font)

Over each of the last three years, both FERS-RAE and FERS-FRAE have had less than 48% of its TSP population contribute to TSP at the full matching level of 5%. However, there has been a significant increase in the percentage of FERS-RAE and FERS-FRAE employees who are contributing at or above 5% of basic pay. Using the “At or Above 5%” data for FERS-RAE, from 2014 to 2016 there was an increase of **8.14** percentage points.

Impact upon TSP Contributions

The impact on TSP contributions is mixed. While a direct correlation cannot be made between higher retirement contribution rates and TSP contribution rates, differences in TSP status and contribution levels may suggest one.

Nevertheless, FERS-RAE and FERS-FRAE TSP participants have had the highest percentage of Active Contributors. However, the high percentage is based upon auto enrollment regulations that enroll eligible employees into TSP upon hire. FERS-RAE and FERS-FRAE have half the percentage of TSP contribution terminations when compared to FERS, but both

FERS-RAE and FERS-FRAE are experiencing a steady increase in TSP participants terminating contributions. In addition, FERS-RAE and FERS-FRAE have a significantly lower percent of participants who contribute at least 5% of basic pay towards TSP. This may be the result of higher retirement contribution requirements employees have made to fund FERS-RAE and FERS-FRAE.



2016 TSP Contribution Status

Program Summary

The Thrift Saving Plan continues to make changes, such as the SMART Savings Act, to increase the participation of a base that is increasingly FERS. Data from the DoD Civilian TSP population mirrors that of the overall TSP population, which is a majority FERS (including FERS-RAE and FERS-FRAE) employees.

A comparison of the DoD TSP population by age and FERS variant revealed that there is a difference in ACR and level of contribution. The older the employee, the more likely the employee will be actively contributing and at a contribution level of 5% or greater. This is important as 5% provides a FERS employee with full matching funds.

A FERS-RAE or FERS-FRAE employee is more likely to actively contribute, but at a lower rate. However, regardless of age or FERS variant, the percentage of employees contributing at least 5% of basic pay is growing. This bodes well for the DoD TSP Civilian population and retirement savings.

Financial Fitness

The goal of the DoD Financial Fitness Program is to provide continuous financial education and career-long retirement planning to employees. It also ensures that DoD Benefits and Retirement Counselors are competent, knowledgeable and experienced. OPM cited DoD as a leader in benefits and refresher training for HR Specialists. DCPAS will distribute annual surveys in order to develop, update and sustain an enterprise-wide Financial Fitness Plan template. Agencies are encouraged to develop independent Financial Fitness Plans as appropriate to agency personnel, resources, and leadership support.

OPM annually requests Federal Government agencies to submit a Financial Fitness Plan. DCPAS submitted an updated DoD Financial Fitness Program Operational Plan for 2016 to OPM after requesting input from DoD Components and Agencies; DoD received an Excellent rating. In order to support this plan, DCPAS distributed an inaugural 2016 Financial Fitness Survey to DoD Components and Agencies. The metrics obtained will serve as a benchmark for the DoD Financial Fitness Program. Eight DoD activities submitted responses: Army, Navy, Air Force, DLA, DCMA, WHS, DFAS, and NGA. Based on survey results below, a Summary Report DoD Financial Education and Literacy Plan 2016 was distributed to Components and Agencies. This assessment identified challenges, best practices, and helped to develop the way ahead for plan improvements.

Best Practices:

- Five of the eight activities provide formal agency Financial Fitness guidance
- All activities promote awareness of the TSP Program to employees
- Most activities offer information on various benefits programs to include Social Security, Medicare, Estate Planning, Survivor Benefits, FEHB, FSA, FEGLI, and Long Term Care, etc.
- All activities provide a benefits website
- All activities provide Financial Fitness and retirement information to all new employees
- All activities provide Retirement Readiness information to new, mid-career, and pre-retirement employees pertaining to specific career path time-lines
- Most activities provide annual reminders to employees to review personnel records
- All activities provide EBIS training information to employees
- Agencies utilize a mixed use of media and resources to disseminate information to employees (e.g., newsletters, emails, one-on-one counseling, websites, presentations, benefits fairs, DCS, etc.)
- One activity developed and offers a quarterly 'Benefits 101' presentation to employees
- All agencies marketed the use of online resources and calculators (e.g., Federal Ballpark Estimator, OPM website, EBIS tools, etc.)
- One activity developed a pilot program at selected installations/activities to provide proactive retirement estimates to those employees within 5 years or less of retirement eligibility

Financial Fitness

- One activity created a New Employee Benefits Toolkit page on their website that links to information on benefits, a New Employee Benefits Briefing (can be shown by installation HR at new employee orientation OR viewed by employee at home on personal computer), and information on how & when to enroll in benefits programs
- One activity provides a week-long retirement training course with a professional presenter, and then 25 days from the employee's retirement date, the employee is permitted to work from home on resumes, conduct job searches and go on interviews
- 50% of the activities provide a Retirement Counseling Satisfaction Survey to employees
- 50% of activities engage leadership and include Financial Fitness in their organizational goals

Challenges:

- All activities should provide formal Financial Fitness guidance tailored to their individual activity
- All activities should engage more directly with the different employee career paths – new, mid-career and pre-retirement – and provide specifically targeted financial fitness and retirement information for each group
- Only two activities perform an assessment of their Financial Fitness Program
- Only one activity tracks number of client visits on their agency benefits website
- All activities should provide Financial Fitness Program assessment with measurable goals
- Lack of satisfaction surveys (employees might be 'surveyed out' at retirement point, but this is a target of opportunity for feedback)
- Further engage leadership
- Include Financial Fitness in organizational goals

Way Ahead:

- DCPAS will solicit input from Components and Agencies and update Financial Fitness Program plan annually
- DCPAS will distribute an Annual Survey and track and compare metrics. Benchmark metrics will be utilized to establish enterprise-wide target goals to measure levels of Component program success
- DCPAS will develop target Financial Fitness messaging
- Develop Defense Finance and Accounting Service (DFAS) message in alignment with TSP Pilot Program, track pre- and post-metrics using CMIS, align further with TSP Pilot Program as appropriate, and post resource toolkit to BWLPD website when finalized
- Update and maintain BWLPD Financial Fitness Website
- Engage with Work Life/Wellness and Employee Assistance Program (EAP) for program education and activities
- Create a Financial Fitness Work Group
- Based on the survey responses, Components and Agencies will now know what programs and activities to offer and what metrics to track annually

Future surveys will be further modified using the baseline metrics and will enable more specific data analysis. The overall objective is to track metrics that will support our Financial Fitness Plan's content, delivery methods, evaluation and sustainability.



Benefacts Newsletter

The *Benefacts* Newsletter was created in 2007 to provide up-to-date information and hot topics emerging in the Human Resources functional community. The newsletter also provides the opportunity to spotlight the varied work and research conducted by the Benefits & Work Life Programs Division human resource specialists and subject matter experts.

The *Benefacts* Newsletter is published quarterly. Each article is written by one of our specialists and designed to provide insight on topics such as Federal insurance, retirement, work life, financial fitness, and injury and unemployment compensation.

Our noteworthy features include new and emerging benefits programs as well as a list of upcoming training courses being offered at the Mark Center. Class participants are automatically enrolled to receive our publication unless they indicate otherwise.

We are proud and excited that in 2016 our newsletter was electronically distributed to over 1,500 subscribers!

Archived copies of the *Benefacts* Newsletter can be accessed at:

<https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/BENEFACTS-Newsletter/Pages/Home1.aspx>

Work Life DoDI

The Benefits and Work Life Programs Division has consolidated a list of flexibilities available to the Department's employees and encourages leaders to disseminate the information to the workforce to promote the use of work life flexibilities.

The lack of a DoD work life policy has led to inconsistent agency policies and resulted in multiple agency requests for clarification on legally permissible guidelines for program administration. Among the inconsistencies in agency policies are time-off to participate in fitness activities, nursing mother lactation centers, phased parental leave and other work life initiatives. To address these policy gaps, BWLPD is consolidating information pertaining to a variety of workplace flexibilities and programs that will be published as a DoD Instruction. This policy is intended to assist Components and Agencies with administering specific work life programs and services.



Telework

In March 2010, President Obama hosted a White House Forum on workplace flexibilities, emphasizing their vital role in recruiting and retaining the best and brightest workers and maximizing their effectiveness. Congress passed the “Telework Enhancement Act of 2010” to catalyze expansion. Federal telework programs are established to meet agency mission and operational needs. Telework reduces real estate and energy costs, promotes management efficiencies, ensures Continuity of Operations due to severe weather and other emergencies, improves the quality of employee work life, and increases employment opportunities for persons with disabilities. Since 2010, more employees are participating in telework and managers of telework programs have begun to advance telework through increasingly sophisticated approaches to program development.

DoD Telework Working Group

The DoD Telework Working Group, chaired by the Benefits and Work Life Programs Division and comprised of Component and Agency telework program coordinators, convenes periodically to discuss program management, issues, new guidance and collaborate on program promotion. As a result of the working group, we have made great strides in updating the DoD policy and revising the eligibility codes to ensure that the Defense Civilian Personnel Data System (DCPDS) database and “My Biz +” accurately capture the extent that the DoD work-force is participating in the telework program.



Telework

	<u>FY2015</u>	<u>FY2016*</u>
Total DoD Population	735,939	755,592
Telework Eligible Positions	369,658	367,061
Total Teleworkers	104,937	112,285
Participation (% of telework eligible):	28%	31%
Telework Participation Rates:		
3+ days per pay period:	18,786	29,629
1-2 days per pay period:	30,951	31,791
Once per month or less:	13,112	13,158
Situational:	66,264	94,033

**This report reflects calendar year data rather than fiscal year data as reported in previous reports.*

Telework Goal for Percentage of Telework Eligible Employees:

2016 Results

- Current participation: 29%
- Current Situational: 20%
- Current 1-2 days per PP: 10%
- Current 3+ days per PP: 5%

2017 Goals

- Increase to 30%
- Increase to 21%
- Increase to 11%
- Increase to 6%



DoD Wellness Programs

DoD Wellness Workgroup

The DoD Wellness Workgroup, chaired by the DCPAS, Benefits and Work Life Programs Division and comprised of Component and Agency wellness program managers and coordinators, convened twice in 2016 to review and plan wellness policy, initiatives, and metrics.

DoD Personal Wellness Website

In coordination with the DoD Wellness Workgroup, the 2016 DoD website wellness campaign, with the support of leadership, raised awareness, encouraged the use of available resources and promoted agency health and wellness programs. Along with showcasing agency promising and best practices, some of the monthly wellness themes included MyWellness RESET (Jan 2016), National Nutrition Month: Shift to a Healthier Eating Pattern (Mar 2016), National Fitness Month: Get Fit with the New Pace of High Intensity Interval Training (May 2016), Biggest Loser (Summer 2016), and Workplace Fitness Challenges (Nov 2016). The website analytics showed a 365% increase in webpage visits between 2015 and 2016.

DoD WellCheck

In coordination with the DoD Wellness Workgroup, DoD Components and Agencies are encouraged to complete OPM's WellCheck (WC) survey. WC is a voluntary online wellness assessment that helps Federal agencies assess their own wellness programs, find opportunities for improvement, and prioritize high-impact health and wellness strategies. Moving to a biennial cycle, WC was last administered in 2014. Nineteen DoD Agencies are currently completing the WC 2016 survey, which has an open date of October 6 through November 18, 2016. WC 2016 survey results will be available early 2017.

DoD 2016-2017 Strategic Wellness Implementation Plan

In response to the President's and OPM's Work Life program objectives, in 2015 DCPAS initiated development of the DoD 2016-2017 Strategic Wellness Implementation Plan. As such, DoD Components and Agencies were encouraged to employ those steps necessary to implement a strategic wellness plan to further strengthen the DoD workforce. The overarching DoD Wellness Goal was for each agency to develop a comprehensive wellness plan by the second quarter of 2016 for implementation in 2017. The following sub-goals were encouraged: participate in the biennial OPM wellness data call, WC; contribute to knowledge sharing and highlight a facet of agency wellness promising/best practices on the DoD Wellness website; and develop methods for tracking time-off for fitness and/or participation in wellness activities. DoD Components are strongly encouraged to develop a Strategic Wellness Implementation Plan.



Benefits Extended to Same-sex Domestic Partner (SSDP) and Same-sex Spouse (SSS)

During 2015, the Benefits and Work Life Programs Branch worked closely with the White House, Department of Justice, Department of State, Office of General Counsel, DCPAS Compensation and Benefits Division, Military Personnel Policy, Defense Human Resources Agency (DHRA) and Defense Travel Management Office (DTMO) to ensure that all DoD benefits were appropriately extended to SSSs and SSDPs throughout the world. Following the June 2015 Obergefell v Hodges decision that legalized same-sex marriage throughout the United States, DoD implemented the “Phase-Out of Benefits for Civilian Employee’s SSDP and Dependents of those SSDP’s” memorandum. Below is a timeline of events that have shaped current and pending policy affecting benefits extended to SSDP and SSS.

Pre-Windsor

- June 2, 2010, Presidential Memorandum directed extension of benefits to SSDP of civilian employees consistent with law
- By 2012, all benefits administered by DoD were appropriately extended to SSDPs, except the privileges and benefits that coincide with issuance of the ID Card

Post-Windsor

- June 26, 2013, Supreme Court Ruling, Windsor vs. United States, repeal of Section 3 of the Defense of Marriage Act (DOMA):
 - SSS met the definition of spouse and automatically became eligible for the same benefits as opposite-sex spouses, including ID cards (no change in regulations required)
 - 2010 Presidential Memo remains in effect and OPM confirmed SSDPs would continue to receive benefits after the repeal of DOMA

Post-Obergefell

- June 26, 2015, U.S. Supreme Court ruled in Obergefell v Hodges that there is a constitutional right under the Fourteenth Amendment Due Process Clause and Equal Protection Clause to same-sex marriage. The Obergefell v Hodges ruling legalized same-sex marriage throughout the United States, making the option of marriage available to same-sex couples on an equal basis as it is to opposite-sex couples. As such, it is no longer necessary to extend DoD employment benefits and entitlements to SSDPs of civilian employees and their children, nor appropriate considering the need to treat all similarly situated couples the same, whether they are same-sex couples, or opposite-sex couples.



Benefits Extended to SSDP, SSS and Transgender Policy

DoD Phase-Out of SSDP Benefits

November 2, 2016, the Under Secretary of Defense for Personnel and Readiness signed the “Phase-Out of Benefits for Civilian Employees’ Same-Sex Domestic Partners and the Dependents of those SSDPs” memorandum directing DoD to implement the phase-out of such benefits in accordance with the memorandum and accompanying implementation guidance.

DoD Transgender Policy

Department of Defense Instruction (DoDI) 1400.25, Volume 800, “Transgender Employees in the Workplace,” is in the coordination process, prior to publication. The DoDI will address policy, responsibilities, guidance, and procedures specific to transgender individuals in the workplace.



Family Care Programs

Adoption and Foster Care: The Department ensures that discretionary benefits are used to the maximum extent practicable, including advancement of sick or annual leave, donated annual leave under the voluntary leave transfer and leave bank programs, and leave without pay. The Department offers up to 240 hours of advanced sick leave to use for the adoption of a child or foster care placement in their home, bonding with a healthy newborn, or newly adopted child.

Child Care: Many Federal agencies provide on-site child development centers that utilize appropriated funds to assist lower-income employees with child care costs. More families are relying on some type of child care arrangement in order to meet the competing demands of work and family. Whether by choice or by necessity, balancing the competing demands of work and child care is one of the most challenging undertakings that a family can experience. The Department is committed to supporting Federal programs that assist employees who are caring for children, as well as providing work and family flexibilities that help balance these responsibilities.

Elder Care: An increasing number of Federal employees face the challenges and responsibilities of caring for an aging family member or friend. In order to attract and retain a talented, engaged and productive workforce, the Department must enable its employees to thrive both at work and at home. The Department currently offers several leave and work schedule flexibilities to support employees in their caregiving efforts. These flexibilities include the use of annual and sick leave, family and medical leave, telework and remote work. At the discretion of the approving authority, employees may use any combination of the flexibilities available.

Kinship Care: Full time care provided to a child by relatives or any non-relative adult who has a family-like bond. Kinship care provides love and care in a familiar setting, enables children to live with people they know and trust, and reinforces a child's sense of cultural identity and positive self-esteem. It also includes those relationships established through an informal agreement, legal custody or guardianship order, a relative foster care placement or kinship care adoption.



Family Care Programs

Nursing Mothers: Agencies **must** provide employees with reasonable break times to express breast milk for a nursing child for up to one year after the child's birth. Agencies must also provide a place, other than a bathroom, that is shielded from view and free from intrusion. Agencies are urged to support all nursing mothers to the fullest extent possible.

Optional Parental Phased Return: On October 6, 2016, the Under Secretary of Defense for Personnel and Readiness issued a memorandum on the Implementation of Optional Parental Phased Return. The memorandum allows civilian employees to use a phased-in return to full time Federal employment following the birth of a child, adoption or becoming a foster parent. Employees may request to phase in a return to full-time employment by working part-time for one year period following childbirth, adoption or subsequent to beginning service as a foster parent phasing in a return to full-time work. Under the discretion of the approving authority, this part-time work option may be used separately or in combination with other available workplace flexibilities. Examples of flexibilities available for use are Annual Leave, Sick Leave, Advanced Leave, Leave Without Pay, job sharing, flexible work schedules, and telework.



Injury and Unemployment Compensation Programs

The Injury and Unemployment Compensation (ICUC) Branch is staffed by expert advisors with extensive Federal Employees' Compensation Act (FECA) experience who provide technical advice, both online and in-person training, comprehensive program support, and solutions development to help reduce compensation costs and meet regulatory and HR requirements.

The Branch provides DoD policy guidance, systems support, and oversees program initiatives in such areas as Pipeline Return-to-Work, Pharmacy Benefits Management, Unemployment Compensation, and functional requirements for DoD's enterprise web based application for FECA claim management.

The ICUC Branch also assists DoD Components and Agencies with advice and guidance regarding retention and disclosure of FECA information to ensure the requirements of the Privacy Act, DOL GOVT-1, and DoD are followed.



Injury Compensation

DoD FECA Program Metrics

Overall Department Performance

Compensation costs for the Department declined from Chargeback Year 2015 by 4.20%. Total Costs for all Components declined from 2015 levels. In contrast, FECA costs for all Government less DoD increased by 1.53% from 2015.

WORKERS' COMPENSATION COSTS CHARGED TO THE DEPARTMENT OF DEFENSE

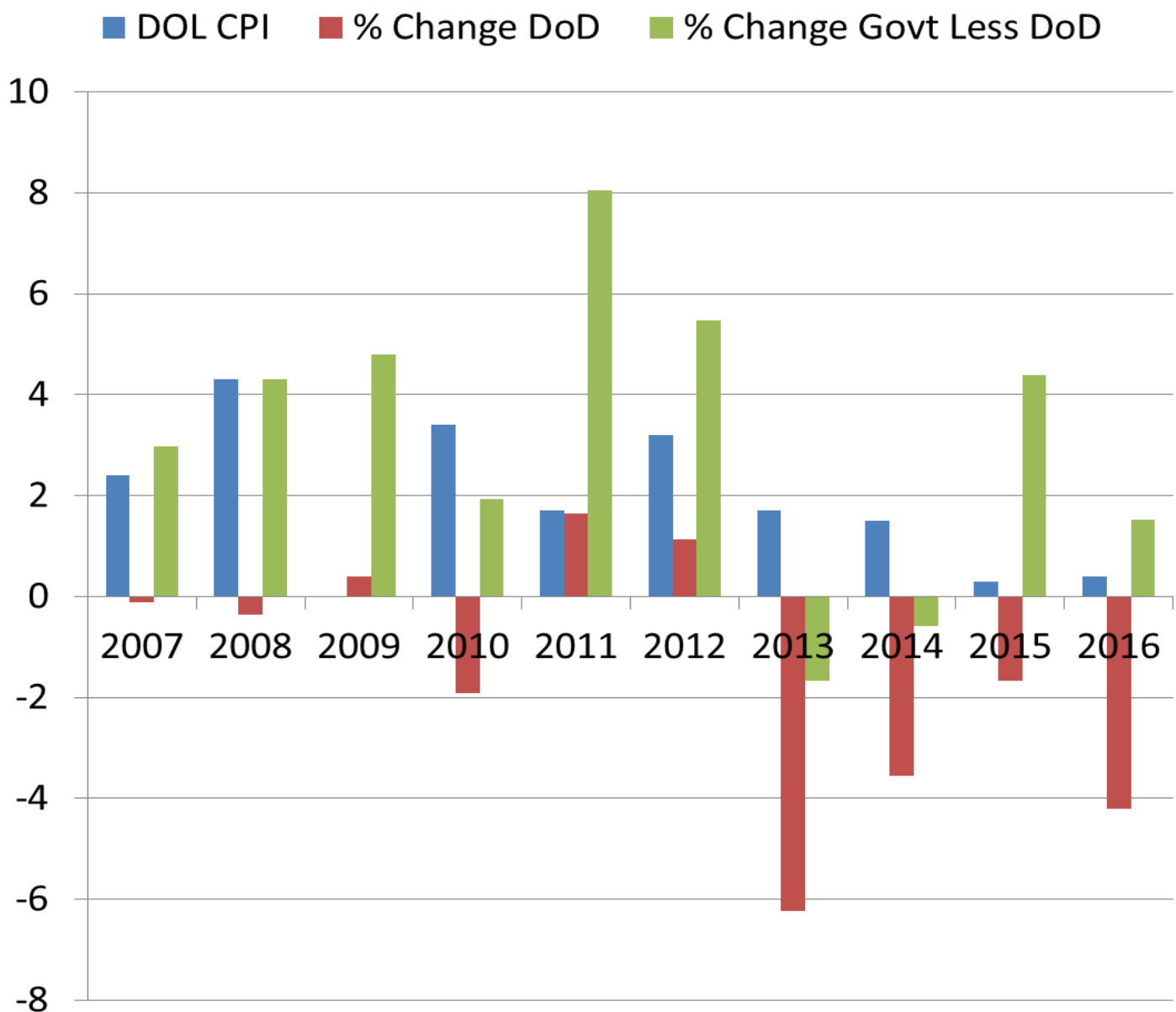
Costs for period July 1, 2015 through June 30, 2016				
Employing Agency	Medical Costs	Compensation Costs	Fatal Costs	Total Costs
Department of the Navy	48,147,164	133,038,184	15,334,559	196,519,907
% Change from CB 15	-5.63	-3.89	-7.42	-4.61
Department of the Army	47,958,793	99,622,998	10,479,927	158,061,718
% Change from CB 15	-3.22	-6.71	-5.53	-3.88
Department of the Air Force	33,463,173	72,044,560	6,767,381	112,275,113
% Change from CB 15	-5.96	-4.26	-8.51	-5.04
DoD Agencies	17,772,397	41,157,958	3,387,724	62,318,079
% Change from CB 15	-4.17	-2.11	8.27	-2.20
All DoD	147,341,527	345,863,700	35,969,591	529,174,817
% Change from CB 15	-4.76	-3.79	-5.80	-4.20
All Government				3,001,196,627
% Change from CB 15				0.47
All Government less DoD				2,472,021,809
% Change from CB 15				1.53

Injury Compensation

DoD FECA Program Metrics

Performance Over Time

The chart below shows the change in DoD costs, All Government less DoD, and the FECA Consumer Price Index (CPI) increase over the last 10 years. Any increase lower than the FECA CPI indicates a slower rate of growth. It is interesting to note that DoD FECA costs have decreased for 7 of the last 10 years, with costs decreasing each of the last 4 years, whereas the All Government Less DoD costs increased for 8 of the last 10 years.

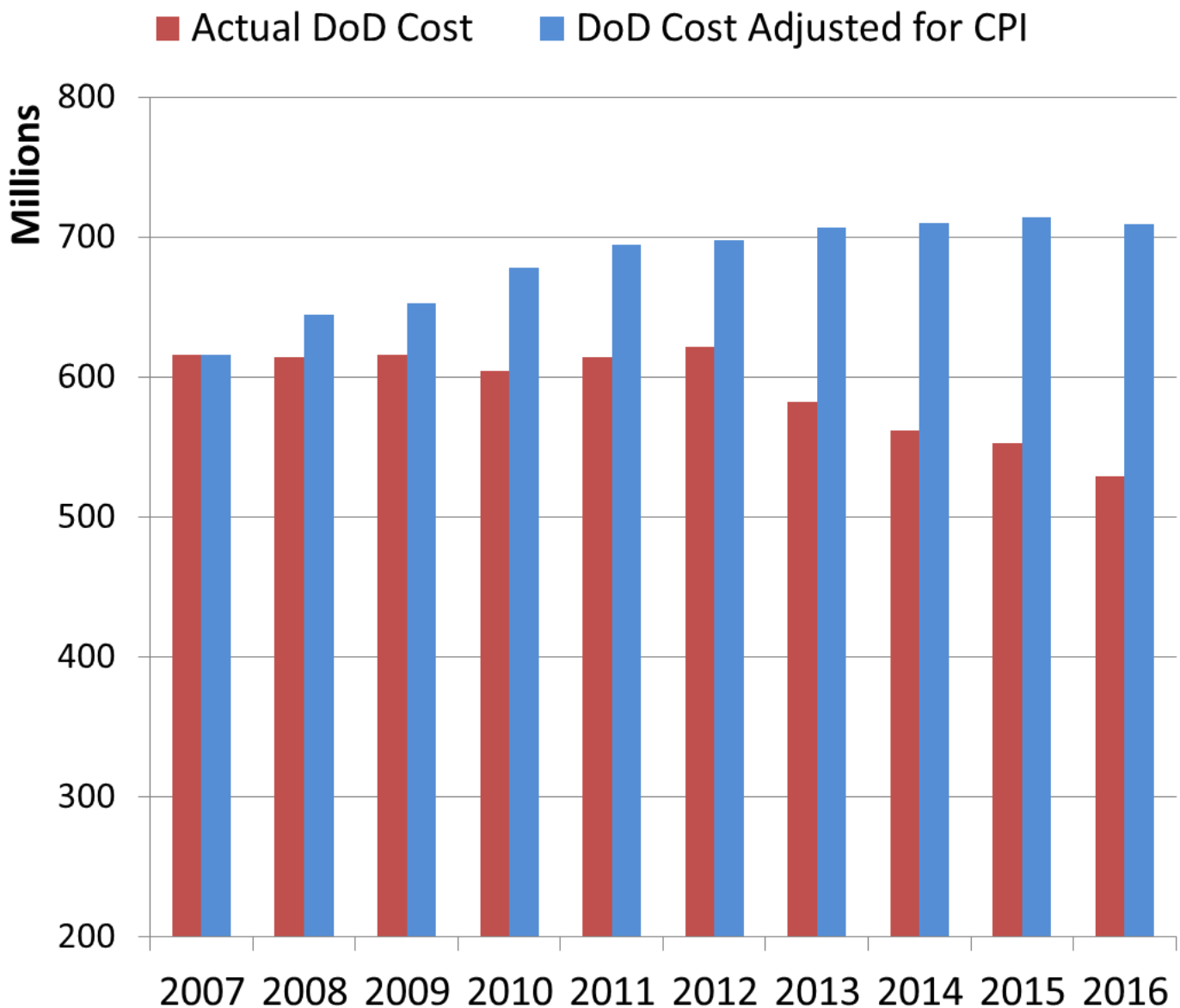


Source of data: Department of
Labor

Injury Compensation

DoD FECA Program Metrics

In looking at DoD specifically, and how the Department performed when compared to the FECA, it can be seen that FECA costs for the Department decreased in spite of the increase in compensation that resulted from the CPI. If costs followed the CPI from 2007 and onward, the Department's FECA costs should have been in excess of \$700 million when in actuality they were slightly less than \$530 million.

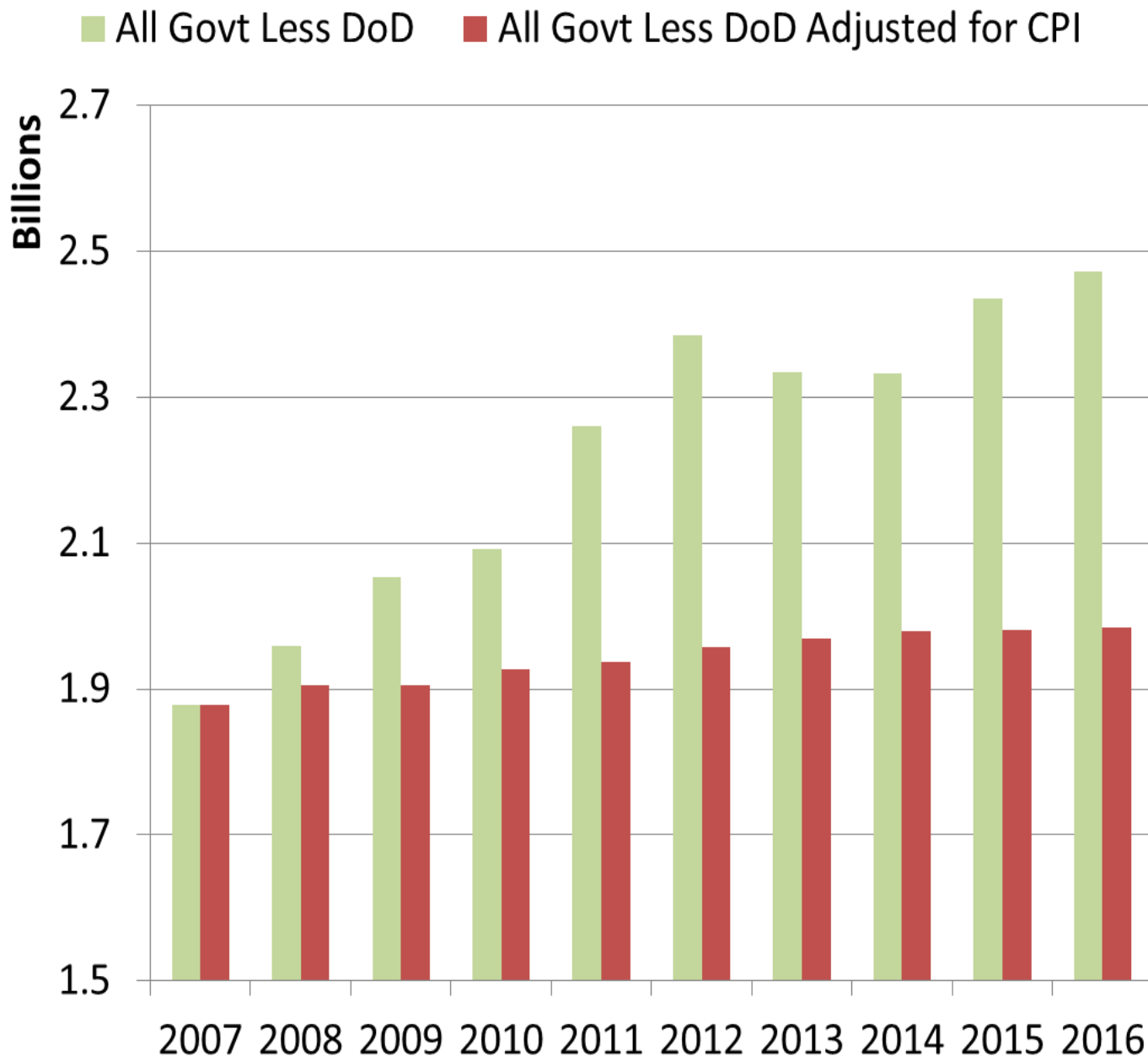


Source of data: Department of
Labor

Injury Compensation

DoD FECA Program Metrics

Applying the same analysis to All Government Less DoD, it can be seen that total FECA costs rose at a faster rate than the FECA CPI. The Department outperformed the rest of the Government as a whole.

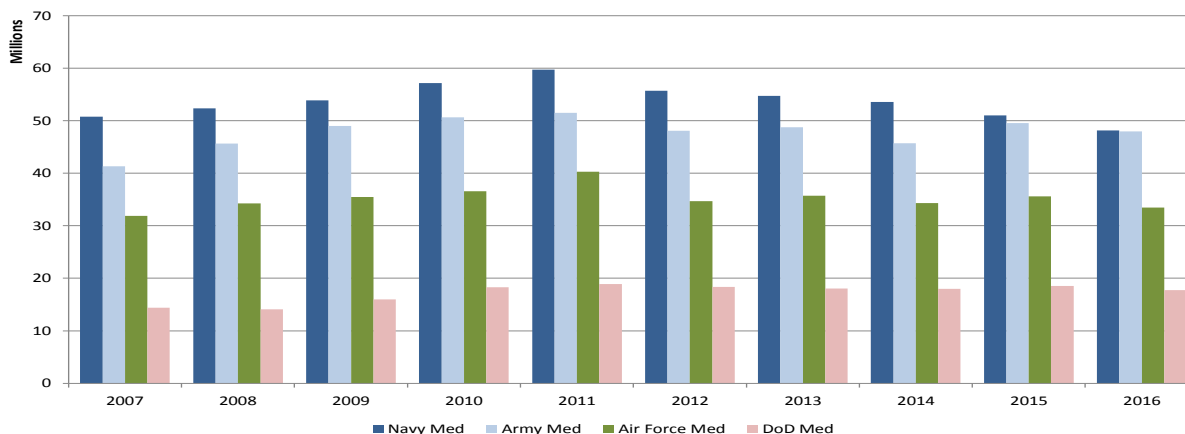


Source of data: Department of
Labor

Injury Compensation

DoD FECA Program Metrics

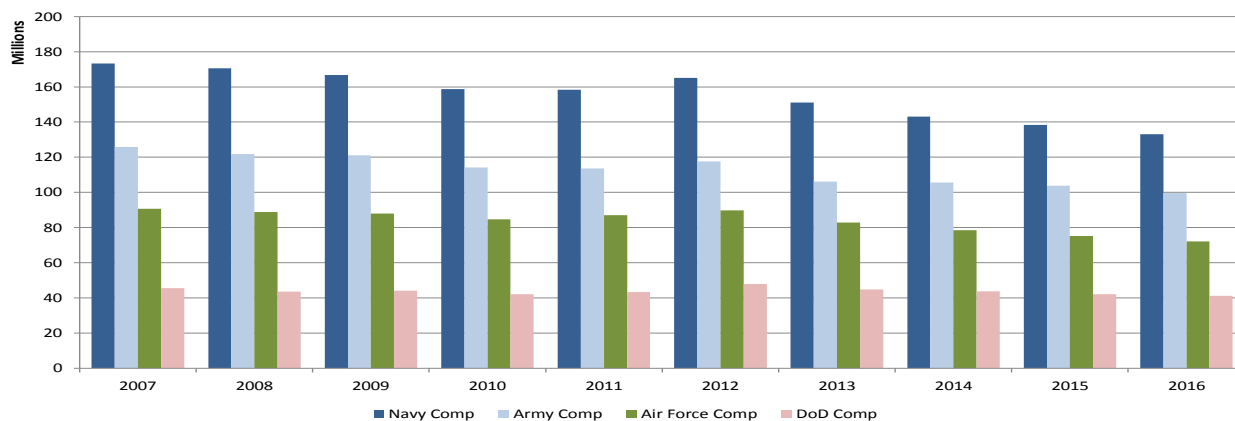
Component FECA Medical Costs Over Time



This chart displays the contribution of the Components within DoD to the total DoD medical costs.

Source of data: Department of Labor

Component FECA Compensation Costs Over Time



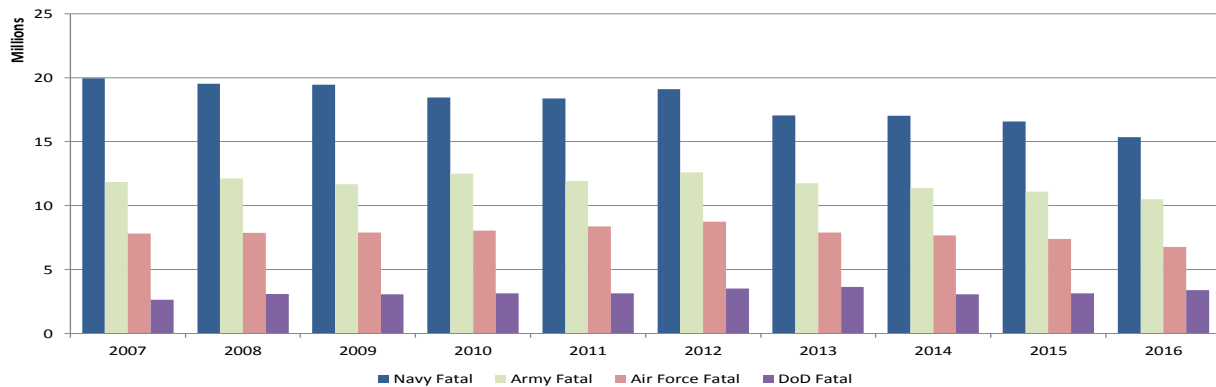
This chart displays the contribution of the Components within DoD to the total DoD compensation costs.

Source of data: Department of Labor

Injury Compensation

DoD FECA Program Metrics

Component FECA Fatal Costs Over Time



This chart displays the contribution of the Components within DoD to the total DoD fatal costs.

Source of data: Department of Labor



Injury Compensation

2016 Goals and Priorities

2016 focused on:

- Migration to the Department of Labor's Employees' Compensation Operations & Management Portal (ECOMP).
- Modernization of the Department's enterprise application for FECA case management, the Defense Injury and Unemployment Compensation System (DIUCS).
- Establishing a Pharmacy Benefits Management program for the Department.
- Continued emphasis on Return-to-Work for injured employees.
- Increased training provided to Component Specialists.
- Increased timeliness of claims filed with Department of Labor.

A number of actions were completed to support the Branch's goals and priorities:

- Migration to the ECOMP application was completed for the Department. This involved developing an organizational hierarchy for each Component and 4th Estate Agency, testing the structure, creating accounts for over 500 users, and training the users on the system. The migration took over 18 months and hundreds of man hours. DoD is the largest organization to date to use the ECOMP application.
- The Defense Injury and Unemployment Compensation System (DIUCS) was redeveloped on an entirely different infrastructure and software platform. The new application will allow Department Specialists to manage FECA claims from one application. The new application has a number of new tools to help Specialists at all levels manage claims more effectively. The new system was deployed in November of 2016. User training for the system will continue into 2017.
- Work continued on the establishment of a Pharmacy Benefit Program (PBM). The plan was to become part of the PBM contract for the Department of Veterans Affairs (VA). After a great deal of study and communication between DoD and VA it was determined that the approach would not work due to Information Assurance documentation issues between VA and DoD. At the end of 2016, DHRA PSO has indicated that they would support the efforts to contract for a PBM Program for the Department. We anticipate efforts to begin sometime in 2017.

(cont.)



Injury Compensation

2016 Goals and Priorities

- The Liaisons continued to engage with Component and 4th Estate Specialists and help facilitate returning employees to work off the FECA Periodic Roll.
- The Liaison training team developed and implemented a Specialist training program delivered via the Department's online Defense Collaboration Service application. Four online sessions were held and a total of 539 Specialists were trained on the Pipeline Program, leave buy back procedures, loss of wage earning capacity policy and procedures, and managing complex claims. This training was held at no cost to the agencies.

Other accomplishments:

During calendar year 2016, 1,594 Chargeback Code changes were validated and submitted to DOL. These changes ensure that agencies are charged only for the claims that fall within their area of responsibility. This ensures greater accuracy in the FECA bill presented to each agency annually by DOL.



Injury Compensation

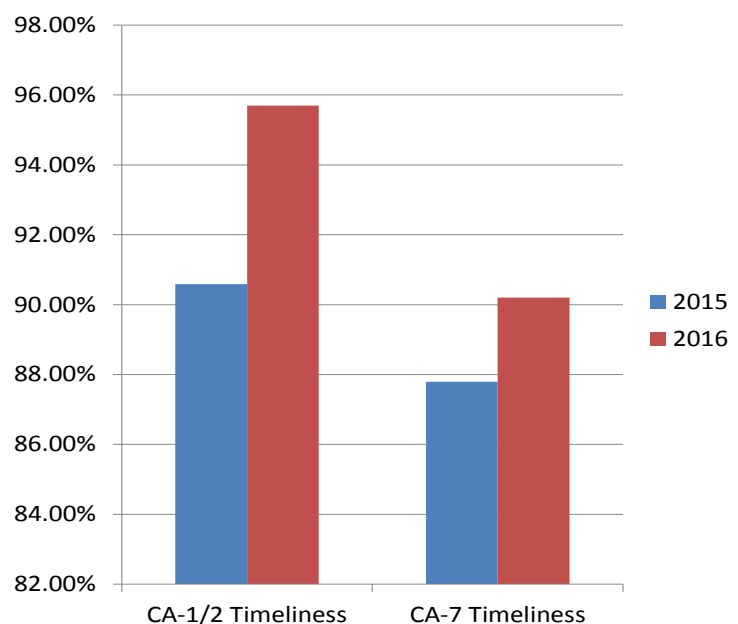
Claim Timeliness Analysis

The POWER program under DOL lapsed in 2015 with no successor program authorized. We expect a program to be authorized in the near future with many of the same metrics as POWER. As a result, DoD continued to measure performance using metrics provided by the POWER Program to ensure the Department was in a position to be successful when the successor program is eventually announced.

The graph shows the timeliness of submitting initial FECA claim forms (CA-1 and CA-2) to DOL as well as claims for wage loss compensation (CA-7). Agencies have 14 days from the date they receive an initial claim form (CA-1 or CA-2) to get the claim to DOL. The timeframe for wage loss claims is significantly shorter at five working days to get the form to DOL.

Timeliness in filing claims has increased for both the CA-1 and CA-2 initial claims as well as CA-7 wage loss claims. The ICUC Liaisons work closely with Agency workers' compensation personnel to ensure that claims are filed as quickly as possible.

Claim Timeliness
All DoD



Also during this time, the Department completed the transition from using Electronic Data Interchange (EDI) to file claims to the DOL Employees' Compensation Operations and Management Portal (ECOMP). This transition to ECOMP has reduced the transmission time for claims significantly and appears to be having the desired effect with regard to timeliness of claim filing.

Injury Compensation Liaison Workload Analysis

Demand for Liaison assistance has decreased by 33.9% from 2015 to 2016. Even with that decrease, the Liaisons responded to over 6000 requests for assistance last year. Two factors affected the Liaison numbers.

The first factor was the completion of the migration of the Department to ECOMP that allowed Department Specialists direct access to case information. This would reduce the number of requests to Liaisons for information regarding documents contained in the employee's file as well as other information requests. This naturally reduces the number of requests by agencies for assistance.

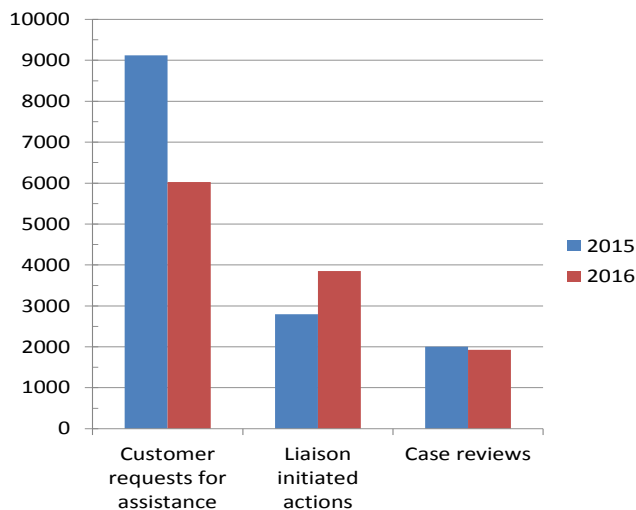
The second factor deals with issues in the final months of the DIUCS legacy application. A number of Liaison users were unable to access the application due to an issue with CAC certifications that could not be corrected. This problem was resolved with the deployment of the new application, but during that time the workload data collected by DIUCS was not fully representative of the Liaisons work. Affected Liaisons had to track work manually which could affect accuracy of the numbers.

Even given these inaccuracies, we are beginning to see a rebalancing of the Liaison's workload from reactive to proactive. This is supported by the sharp increase of Liaison initiated actions. These are actions that

Liaisons have taken on cases without requests from the agency. These types of actions increased by 37.9%. While it is reasonable to assume that the workload relating to Agency contacts for assistance were skewed lower due to the aforementioned system issues, it is also reasonable to assume, based upon the data, that due to ECOMP, the composition of the workload is shifting. This shift is allowing the Liaisons to take a more proactive approach in dealing with complex case management issues on their own initiative rather than wait for the agency to make first contact with an issue.

The number of case reviews essentially remained flat with a year over year change of -3.7% with over 1900 case reviews performed. It is too early to conclude that the reduction in case reviews has stabilized after the migration to ECOMP, but the data does indicate that the number of Liaison performed case reviews is flattening.

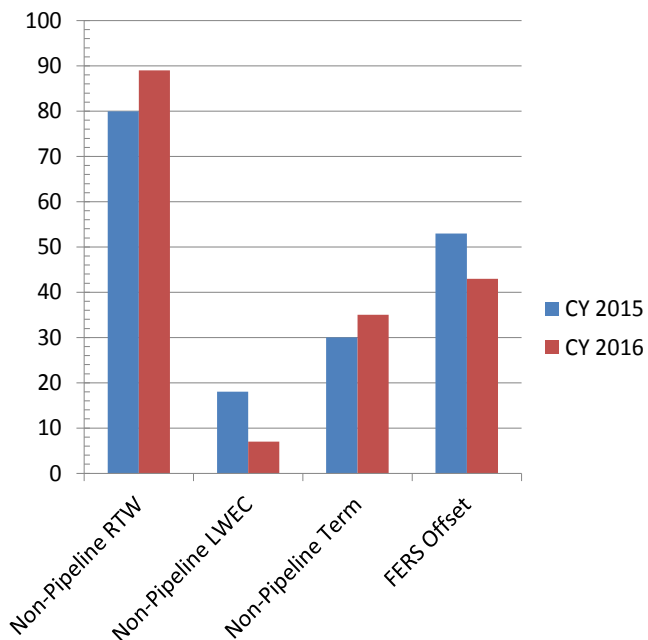
Liaison Workload



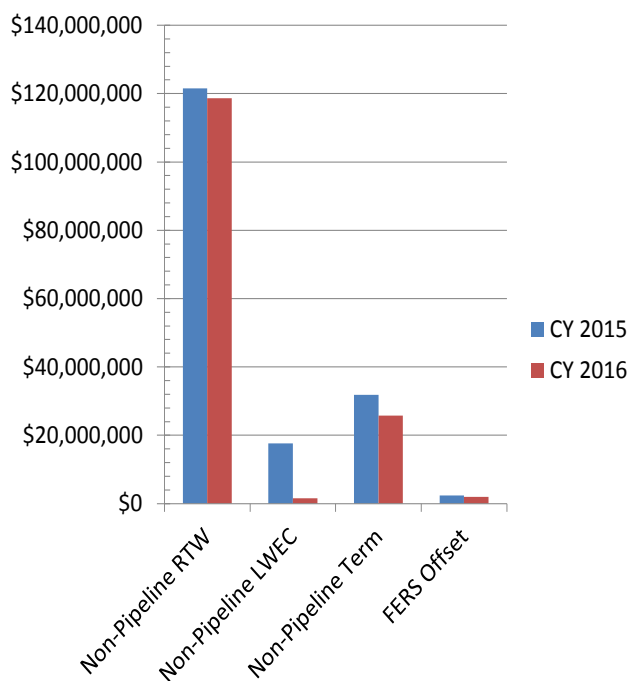
Injury Compensation

Projected Cost Avoidance Analysis

Projected Cost Avoidance
 No. of Claims



Projected Cost Avoidance
 Dollars



Injury Compensation

Projected Cost Avoidance Analysis

In a number of cases, the Liaisons assistance, guidance and case actions taken result in decisions by DOL that result in the reduction or termination of workers' compensation benefits. A Return-to-Work (RTW) can result in a termination or reduction in FECA payments and is tracked separately. A Loss of Wage Earning Capacity (LWEC) decision results in a reduced compensation payment. A termination results in the no further compensation payments being made due to reasons other than Return-to-Work.

A calculation is performed that quantifies the benefits an employee would be paid from the time their benefits are terminated or reduced to the age of 75 that takes into an account an annual 2.5% increase in compensation each year. This total is referred to as the **Projected Cost Avoidance** of the claim. Without action and assistance by the Liaison and agency, the employee would continue to collect compensation indefinitely. This has been found to be an accurate method to quantify the impacts of the Liaisons actions. The previous two graphs demonstrate that the number of claims where compensation was reduced or terminated decreased slightly from 2015 to 2016 as well as the **Projected Cost Avoidance** of those claims.

An additional metric quantifies the compensation costs that have accrued from the date the compensation was reduced or terminated to the end of the calendar year. That is referred to as the **Compensation Cost to Date**.

In looking at the data for 2016 compared to 2015, it can be seen that the Projected Lifetime Cost Avoidance for all categories of cost avoidance fell by 0.85% from \$202 million to just over \$200 million. Further analysis shows that the average age of claimants for any cost avoidance action fell from 61 years of age to 59 years of age. Additionally, the average age of claimants where a return-to-work or a reduction of compensation was put in place fell from 53 years of age in 2015 to 49 years of age in 2016. This indicates that younger employees are being returned to work which in turn results in greater cost avoidance since the younger employee has a greater potential to collect compensation for a longer period of time. This is supported by the fact that the average cost avoidance increased by almost 10% to \$997,908 per claim. While the number of claims impacted by a cost avoidance action decreased by 5% from 2015 to 2016, the amount of cost avoidance remained relatively flat because an increased number of younger employees were returned to work in some capacity.



Injury Compensation Projected Cost Avoidance Analysis

Cost Avoidance 2015 vs 2016

	2015	2016	Change
Projected Lifetime Cost Avoidance	\$202,166,589.25	\$200,213,145.96	-0.85%
One Time Savings	\$1,164,535.28	\$1,441,550.00	+23.8%
Cost Avoidance for the Year	\$4,652,035.15	\$4,486,632.15	-5.29%
Claims with Savings	294	278	-5.44%
Average 28 day Compensation Reduction	\$2,411.94	\$2,576.45	+6.82%
Average Projected Cost Avoidance	\$882,825.53	\$971,908.48	+10.09%
Average One Time Savings	\$22,394.91	\$24,854.31	+10.89%
Average Cost Avoidance for the Year	\$18,101.31	\$19,011.15	+5.03
Average Age for all Claims with Savings	61	59	-3.28%
Average Age for Claims with RTW/LWEC	53	49	-7.55%

Source of data: Department of
Labor



Injury Compensation

Pipeline Reemployment Program

The Pipeline Reemployment Program provides DoD organizations with over hire authority and civilian pay authority necessary to reemploy partially recovered employees suffering from job-related injuries and illnesses. Pipeline addresses two basic issues that have historically hindered reemployment efforts: resources allocation and funding.

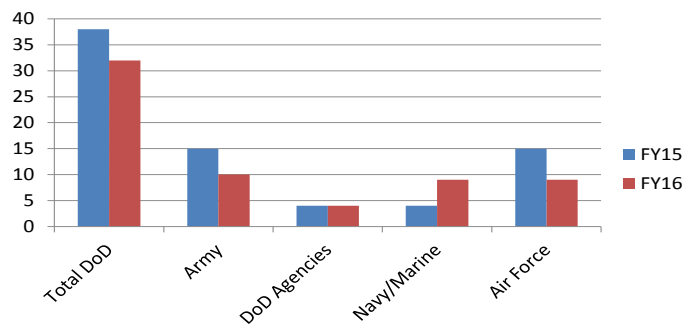
Pipeline supports President Obama's Reemployment Initiative and Executive Order 13548 by assisting each DoD field activity, except the National Guard, in achieving fewer lost days resulting from injuries and speeding return-to-work in cases of serious injury or illness. Funding is provided for up to one year beginning on the return-to-work date for a full-time employee and two years for a part-time employee.

Injury Compensation Pipeline Reemployment Program

The Pipeline Program FY15/FY16 Approved Case Comparison graph below shows a comparison between fiscal years of Pipeline Approvals by Components, DoD Agencies and the Total for DoD.

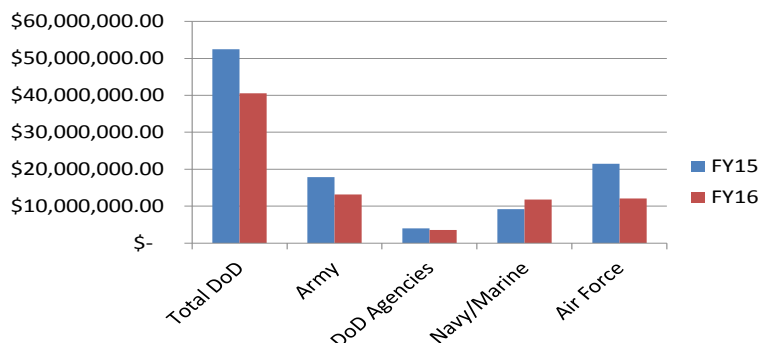
The total number of FY16 approved Pipelines decreased from FY15. The top Component utilizing this program as a valuable resource this fiscal year was Navy. They received support from Navy leadership for their Return- to-Work Program. Out of all Pipeline packets submitted, the number of Pipeline packets approved for Navy went up 44% and their Projected Cost Avoidance (PCA) went up \$2.6M. (PCA = monthly compensation amount x 13 x the difference between the claimant's current age and age 75. Currently, this does not take into account increases in compensation.)

**Pipeline Program
 FY15/FY16 Approved Case Comparison**



The Pipeline Program FY15/FY16 Projected Cost Avoidance graph below shows the cost savings by Components, DoD Agencies, and the Total for DoD.

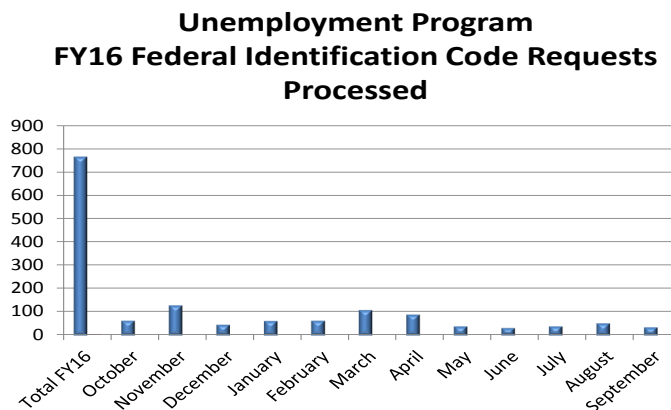
**Pipeline Program
 FY15/FY16 Projected Cost Avoidance**



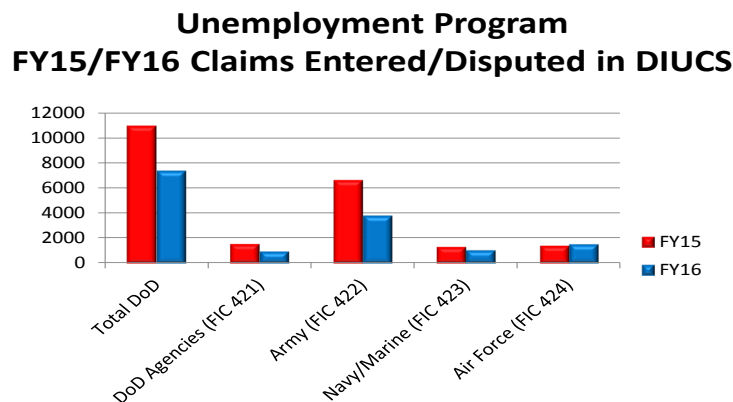
Unemployment Compensation (UC) Program

The Unemployment Compensation (UC) Program provides a weekly income for a limited period of time to qualified unemployed Federal civilian workers to help meet basic needs while searching for employment. DCPAS continues to review the Unemployment Compensation (UC) Program for ways to improve handling of misrouted mail, to identify correct Federal Identification Codes (FICs) for numerous unemployment claims that are lost in the filing process, and to explore systems automation.

The UC Program Fiscal Year (FY) 2016 FIC chart below illustrates total requests received from the State Employment Security Agency (SESA) by Component.



The FY15/16 Claims Entered/Disputed Chart below exhibits bills entered into the Defense Injury and /Unemployment Compensation System (DIUCS) by Component and FIC. In 2016 there was a decrease in total numbers due to proper routing of claims and timely processing.



2016 HR Significant Updates

The U.S. Office of Personnel Management (OPM) has Government-wide responsibility and oversight for Federal benefits administration. The Benefits Administration Letters (BALs), Newsflashes and other pertinent information that are captured below provide guidance to the Human Resources community on Federal Retirement and Federal Employees Health Benefits, Flexible Spending Accounts and Long Term Care Insurance programs.

Date	Number	Subject	Summary
January 4, 2016	BAL 16-201	Federal Employees' Group Life Insurance (FGLI) Program: Updated Guidance on Election Opportunities for Employees Deployed in Support of Contingency Operations	Provides guidance to agencies on the status of current qualifying contingency operations.
January 6, 2016	BAL 160-101	Annual Changes	Updates information that changes annually, such as interest rates and cost-of-living adjustments. Contains the figures for 2016.
January 12, 2016	BAL 16-202	Federal Employees Health Benefits (FEHB) Program: Enrollment Options Following the Termination of a Plan or Plan Option Final Rule Published	OPM issued a final rule on October 28, 2015 to amend FEHB Program regulations regarding enrollment options following the termination of a plan or plan option. The final rule became effective on January 1, 2016.
January 20, 2016	BAL 16-203	Employee Information on Health Coverage and Affordable Care Act Information Returns (AIR) Assurance Testing	Provides agencies information to assist with their responsibility under Internal Revenue Code (IRC) Section 6056 to file IRS Form 1094-C and Form 1095-C and furnish a copy of the IRS Form 1095-C to each full-time employee.
February 2016	BAL 16-301	Instructions Regarding Requirement for Agencies' Payments to the Civil Service Retirement and Disability Fund (CSRDF) for VSIP and VERA Processing Costs for FY 2016 under the Consolidated Appropriations Act, 2016	Provides the FY 2016 remittance amount and instructions on the methods available for agencies to remit payment in FY 2016 to OPM for deposit into the CSRDF for VSIP and VERA processing costs.

2016 HR Significant Updates

Date	Number	Subject	Summary
February 4, 2016	BAL 16-801	The Federal Flexible Spending Account Program (FSAFEDS): 2016 Administration Fees	Notifies agencies that the FSAFEDS reserve account fee and administrative fees will change for the 2016 benefit period.
March 18, 2016	BAL 16-204	Federal Employees' Group Life Insurance (FEGLI) Program	Provides detailed guidance about conducting the FEGLI 2016 Open Season.
May 2016	BAL 16-303	FSAFEDS Program: Announcing A New Third Party Administrator	OPM) has selected a new contractor, WageWorks, Inc., to administer FSAFEDS. The effective date of the contract was March 1, 2016.
May 2, 2016	BAL 16-205	Information to fulfill mandatory reporting requirements for plan year 2016 under IRC Sections 6056 and 4980H	Provides preliminary information to assist Federal agencies for reporting year 2016.
May 5, 2016	Federal Register Vol. 81, No. 87	Federal Employees' Group Life Insurance Program: Options B and C	OPM is issuing a final rule to amend the FEGLI regulation to provide a second reduction election opportunity for annuitants and compensationers enrolled in FEGLI Option B and Option C.
July 18, 2016	BAL 16-901	Federal Long Term Care Insurance (FLTCIP) 2016 Enrollee Decision Period	Provides guidance about an Enrollee Decision Period for current enrollees in the FLTCIP, to be held from July 18 to September 30, 2016.
July 20, 2016	BAL 16-206	Federal Employees' Group Life Insurance (FEGLI) Program: FEGLI Open Season Website, Email Messages and Data Needs	Provides information about the FEGLI Open Season website, as well as Employee emails that agencies can send before and during Open Season.
August 16, 2016	NEWSFLASH	Federal Employees' Group Life Insurance (FEGLI) Program Open Season	Eligible employees can elect or increase their FEGLI life insurance by submitting an election to their human resources office or by electronic means where this option is available through their employing agency.

2016 HR Significant Updates

Date	Number	Subject	Summary
August 18, 2016	BAL 16-401	Federal Benefits Open Season: Announcement	General information about this year's Federal Benefits Open Season, which runs from Monday, November 14, 2016 through Monday, December 12, 2016.
August 25, 2016		2016 Federal Employees' Group Life Insurance (FGLI) Program Flyer and Checklist	Information regarding the FGLI Open Season.
August 26, 2016	BAL 16-207	Federal Employees' Group Life Insurance (FGLI)	Guides agencies on how to process elections during the September 2016 FGLI Open Season. Also advised that Open Season elections will only go into effect if the employee meets pay and duty status requirements in the pay period before the effective date.
September 15, 2016	BAL 16-208	Federal Employees' Group Life Insurance (FGLI) Program: Belated Open Season Elections and Open Season Election Errors	Provides information about belated FGLI Open Season elections and FGLI Open Season election errors resulting in the inadvertent cancellation of Optional insurance.
September 26, 2016	BAL 16-402	2016 Federal Benefits Open Season: Ordering and Distributing Materials	Provides instructions for ordering and distributing Open Season materials including program-specific materials for FSAFEDS, FEDVIP and FEHB Programs.
October 17, 2016	BAL 16-404	Federal Benefits Open Season: FSAFEDS, FEDVIP and FEHB Programs Significant Plan Changes	Provides information on significant plan changes for FSAFEDS, FEDVIP and FEHB Programs for 2017.
November 18, 2016	BAL 16-802	The Federal Flexible Spending Account Program (FSAFEDS) Increasing Health Care Account Maximum by \$50 to \$2,600	To notify agencies and participants that FSAFEDS is increasing the maximum contribution to health care and limited expense health care flexible spending accounts for the 2017 benefit year. The new maximum contribution will increase \$50 to \$2600.

New and Emerging Initiatives

- ♦ Develop and implement a comprehensive Credentialing Program
- ♦ Update and expand Benefits program policies
- ♦ Update, expand and market Work Life policies and initiatives to support work-place flexibilities, best practice programs and equitable treatment of all DoD employees
- ♦ Develop a robust Benefits and Work Life website
- ♦ Develop and offer small, focused segments of Benefits training programs
- ♦ Support and expand the Post-Combat Case Coordinator program for civilians serving in war-risk assignments
- ♦ Market the DoD Financial Fitness Program
- ♦ Create Benefits & ICUC Programs Dashboards
- ♦ Reduce Retirement Processing Errors
- ♦ Offer webinars on various Benefits programs
- ♦ Develop a Delinquent Claims Review Process
- ♦ Enhance and expand Injury Compensation Program Administer (ICPA) and Unemployment Compensation classroom and online training
- ♦ Establish a DoD Pharmacy Benefits Management Program
- ♦ Host a 2018 Benefits, Work Life and ICUC Training Symposium to be held at the Southbridge Executive Conference Center
- ♦ Implement a DoD FECA Program Review
- ♦ Upgrade the ICUC website
- ♦ Continue promoting the Pipeline Reemployment Program